

ACCOUNTING WITH

# MYOB

IN THE CLOUD

WENDY PABST & BRIAN PERRIN  
3RD EDITION



# Accounting with MYOB 'in the cloud'

**3rd Edition**

**Wendy Pabst and Brian Perrin**



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# INTRODUCTION

**Accounting with MYOB 'in the cloud'** comprises a series of exercises based on one business entity. Detailed step-by-step instructions and explanations are provided to assist the user in learning how to use the main features of the MYOB online computerised accounting package and build on that knowledge as they progress through the book. Stand-alone self-test revision exercises are included with each chapter, and these will provide the student with the opportunity to work alone, revising what they have learnt and often learning a bit more.

As students work through the exercises, they will gain valuable practical 'hands-on' experience in the various areas of the package as well as an understanding of some of the accounting fundamentals involved in the transactions. The revision exercises cover different types of businesses and business structures, and the students will work their way through setting up a data file, then recording a range of different buying and selling transactions as well as learning about job costing and payroll.

On completion of the exercises, students should have acquired skills that will give them the ability to think through problems they may encounter in the workplace and to find appropriate solutions.

We have assumed that the student has a basic understanding of accounting terminology and business structures, so no detailed explanations of either of these are included. The Goods and Services Tax, being a somewhat confusing topic, has however been covered in more detail in the appendix to this book, as has an overview of terminologies and Single Touch Payroll encountered in the payroll chapter.

The book has been written without a specific year stated in the exercises so that students are not locked into recording transactions that could be several years in the past. Most screen shots will however, display either 2022 or 2023 because that is the financial year in which the book was written. The reports the students display, or print should show whatever is the relevant year at the time they work the various exercises.

MYOB are continuously updating the software and for that reason what the student sees on screen may at times be slightly different to the screenshots in this book.

Conventions used throughout the book are –

- |                               |   |
|-------------------------------|---|
| [Tab]                         | Square brackets denote a button displayed on the open window or a key on the computer keypad that is to be used.  |
| <i>Italics</i>                | These are used for actions to be taken such as <i>click</i> a button or key.                                      |
| <b>Bold</b>                   | Bold letters are used to highlight data to be entered or wording to be selected such as a name on a menu or list. |
| ☉                             | Select this Radio button.   |
| <b>Note, Shortcut, or Tip</b> | These shaded areas provide the user with very helpful information. Make sure you read them.                       |

We hope you enjoy working your way through this book and know that you will gain a lot of new skills and knowledge from having spent time completing all the exercises.

Wendy Pabst and Brian Perrin



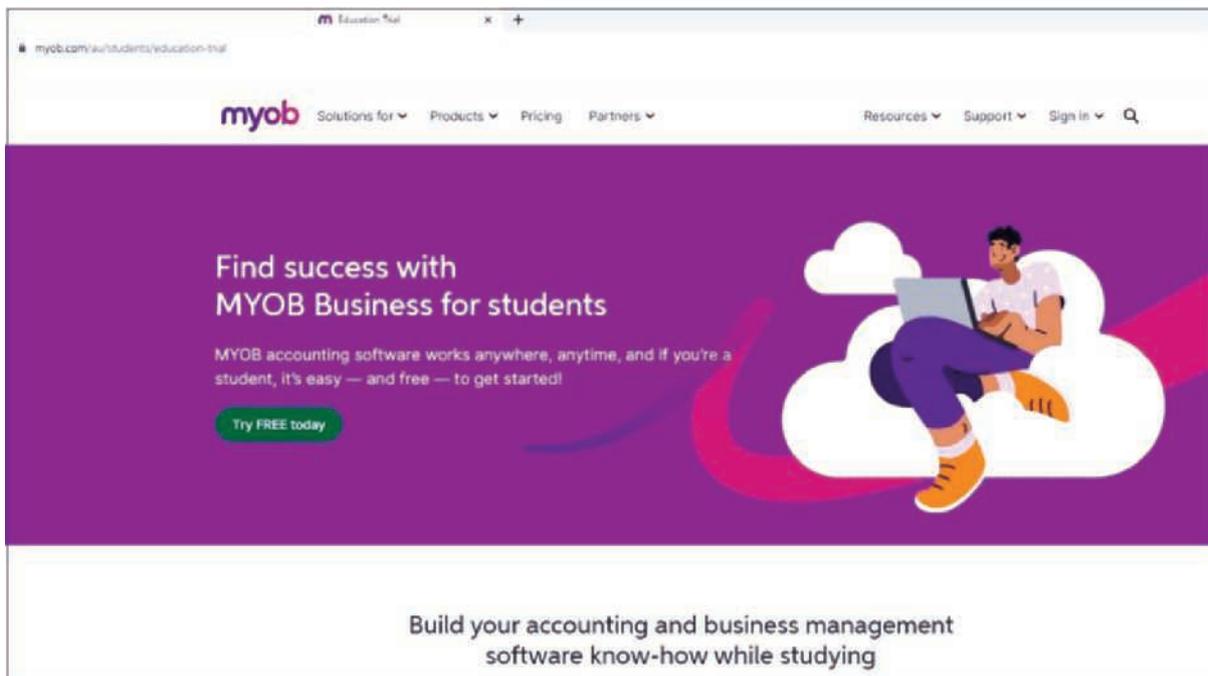
# CHAPTER 1 –AN INTRODUCTION TO MYOB BUSINESS PRO

## MYOB Business Pro

MYOB, like other computerised accounting packages, is now in the “cloud” (online). It retains most of the features of the desktop version of the software, and it is still menu driven. That means, the program uses menus with options for activities and actions that can be selected using the mouse or keyboard. Menus primarily consist of the traditional drop-down listings. In the cloud-based version of MYOB, after you have completed the setup process a ‘dashboard’ will appear on the screen. This dashboard is the starting point for all major functions within this version of MYOB. In this chapter you will setup your MYOB File Master and then briefly examine the features within the program to become familiar with the MYOB online environment.

## Accessing and setting up MYOB

The MYOB software that we will be using throughout this textbook is available to you as a student free of charge for six months if your tertiary institution is a MYOB subscriber. We begin the journey at the following URL: [www.myob.com/au/students/education-trial](http://www.myob.com/au/students/education-trial) and the screen shown below (figure 1.1) will be the first to appear.

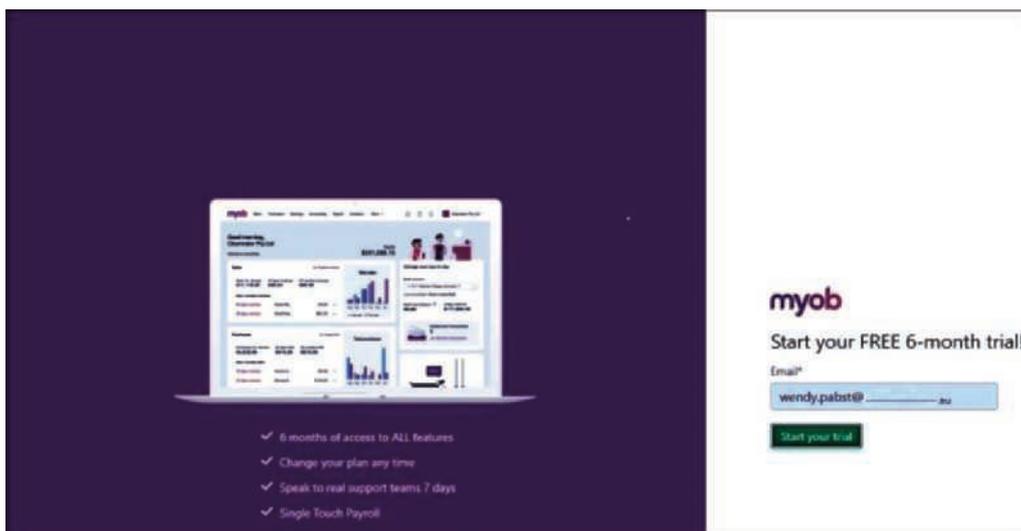


**FIGURE 1.1 – MYOB Business for students**

Click on the [Try FREE today] button. It does not matter if you are using your tertiary institution computer, home computer, or a laptop as you will be able to access your data file from any location you happen to be at. That is the advantage of the online version of the software.

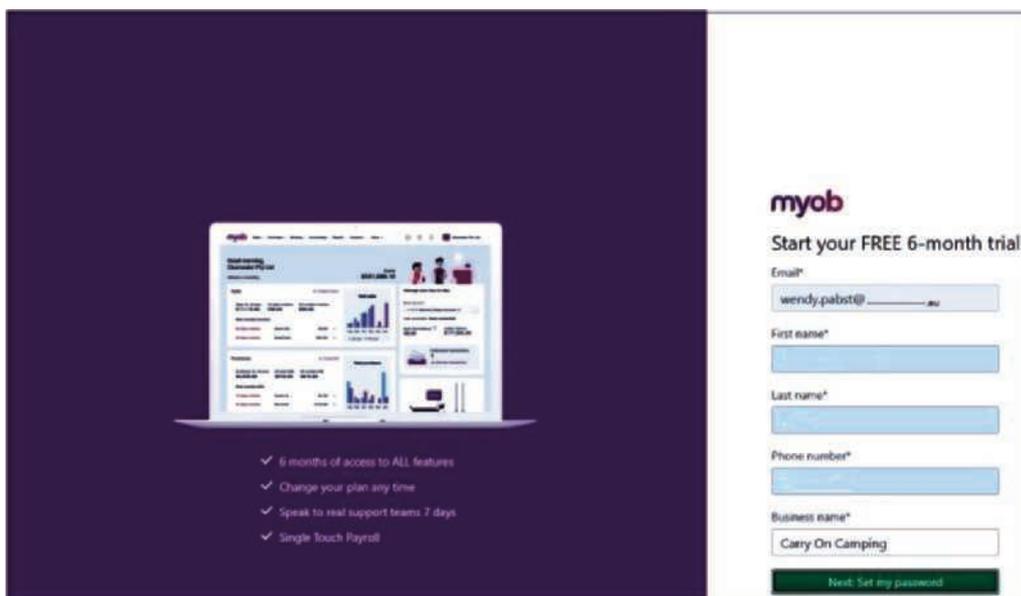
At the next screen (figure 1.2) enter your student email address as shown. This will then display on other entry screens.

I have deliberately removed my email address and the serial number from most screen shots where it would normally appear, to avoid confusion. What you should see is your email address and serial number.



**FIGURE 1.2 – Start your trial**

Click on [Start your trial] to begin the setup, and the screen shown in figure 1.3 will appear. Complete all the fields. The name of this business is **'Carry On Camping'** and if you want to differentiate your data file from those of other students, I suggest you include your student number in the same field as the business name, e.g., Carry On Camping 12345678.



**FIGURE 1.3 – Your information**

Click [Next: Set my password].

As part of the process of setting up your password, MYOB will let you know what should be included to make your password strong.

**Note:** Some of the screenshots that follow may look a little different from those you see because MYOB are continually updating the software.

**FIGURE 1.4 – Sign up to MYOB**

Click [Sign up] and the screen shown in figure 1.5 will appear.

**FIGURE 1.5 – What happens next?**

Click [Access your software now] once the colour has filled completely, and the screen shown in figure 1.6 will appear. This is where you start entering information applicable to this business. The information to input is shown in the figure below, and in the ones that follow.

### Company Information

ABN: **62 099 854 074**

**FIGURE 1.6 – ABN**

The ABN for this business is not a genuine Australian Business Number. The same applies for all ABNs in this text and warning messages about that will often appear on windows. You can ignore them. To learn more about ABNs go to the appendix.

Click [Next].

- This business is registered for GST. For more information on GST go to the appendix.
- The structure of this business is that of a sole trader. The most appropriate selection on the menu available for this field is '**Individual**'.
- It is extremely important that you let MYOB know what type of business it is, because that determines the Chart of Accounts that MYOB presents you with.



The screenshot shows the 'Business details' step in the MYOB setup process. On the left, a progress indicator shows three steps: 'ABN' (completed), 'Business details' (current step), and 'Personalise' (pending). The main content area is titled 'Business details' and contains the following fields:

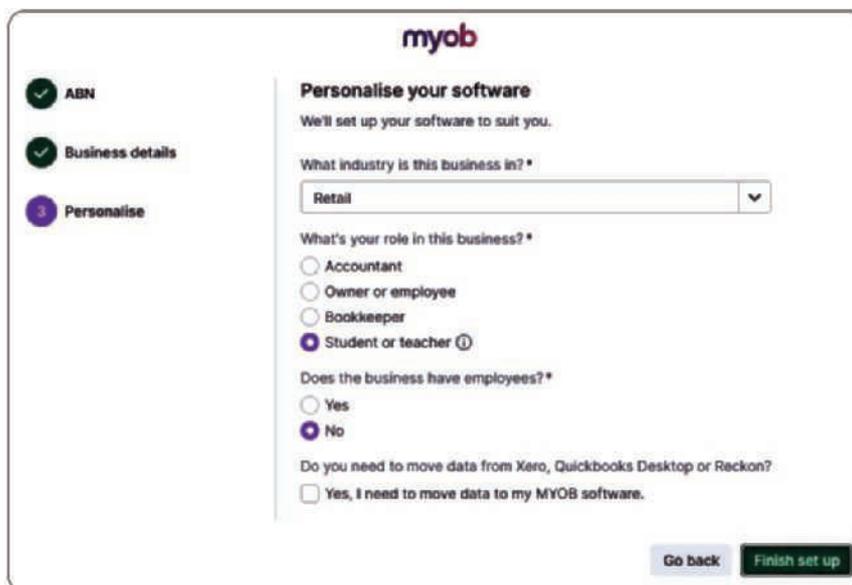
- ABN: 62 099 854 074
- Business name\*: Carry On Camping
- Is this business registered for GST?\*:  Yes,  No
- What type of business is this?\*: Individual (selected in a dropdown menu)

At the bottom right, there are 'Go back' and 'Next' buttons.

FIGURE 1.7 – Business details

Click [Next].

- The business buys and sells camping gear, the industry is classified as '**retail**'.
- Your role in this business is that of student.
- Answer '**No**' to the question about employees. This business does have employees, but we will not be covering payroll until a later chapter. In these early chapters payment of employees will be kept simple.



The screenshot shows the 'Personalise your software' step in the MYOB setup process. On the left, the progress indicator shows three steps: 'ABN' (completed), 'Business details' (completed), and 'Personalise' (current step). The main content area is titled 'Personalise your software' and contains the following fields:

- What industry is this business in?\*: Retail (selected in a dropdown menu)
- What's your role in this business?\*:  Accountant,  Owner or employee,  Bookkeeper,  Student or teacher
- Does the business have employees?\*:  Yes,  No
- Do you need to move data from Xero, Quickbooks Desktop or Reckon?:  Yes, I need to move data to my MYOB software.

At the bottom right, there are 'Go back' and 'Finish set up' buttons.

FIGURE 1.8 – Personalise your software

Click [Finish set up].

**Note:** Select the 'No' radio button for the question about employees, for all exercises except payroll and job costing.

## MYOB Dashboard

You should now be at the Dashboard. We will take a brief look at what is available here. The top part of the dashboard, shown in figure 1.9, will vary from time to time as MYOB update their software.

The next few figures are what I saw when I first logged in and I expect they are probably what you will also see.

As the dashboard is large, we are going to check it out in two parts.

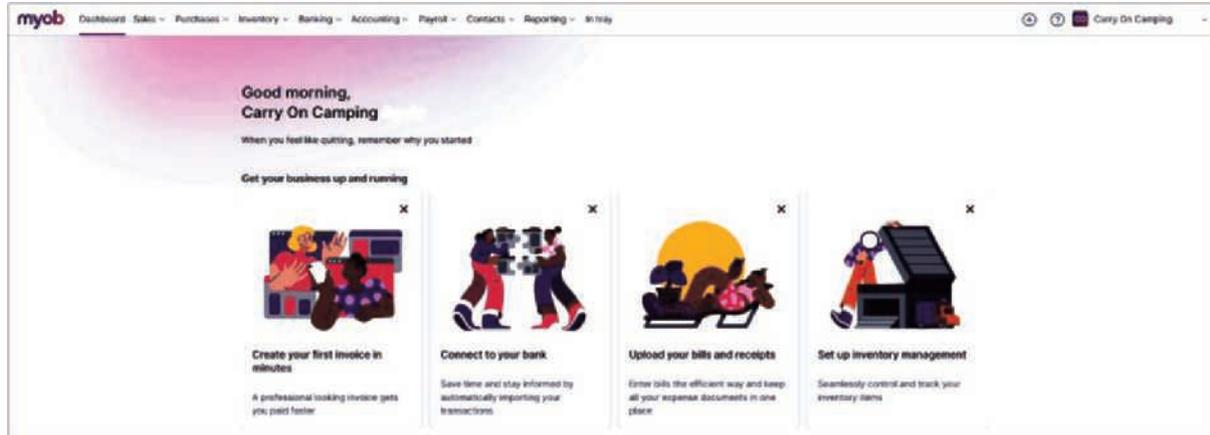


FIGURE 1.9 – Dashboard

### ***Create your first invoice in minutes***

A shortcut or alternative to using the menu bar at the top of the window.

### ***Connect to your bank***

This allows the business to receive daily bank feeds. We will not be using this feature.

### ***Upload your bills and receipts***

Here you can upload your bills and receipts from your computer, mobile app, or forward them straight from your email to the 'In tray'. We will not be using this feature.

### ***Set up inventory management***

Can be used as an alternative to Inventory on the menu bar to set up inventory items.

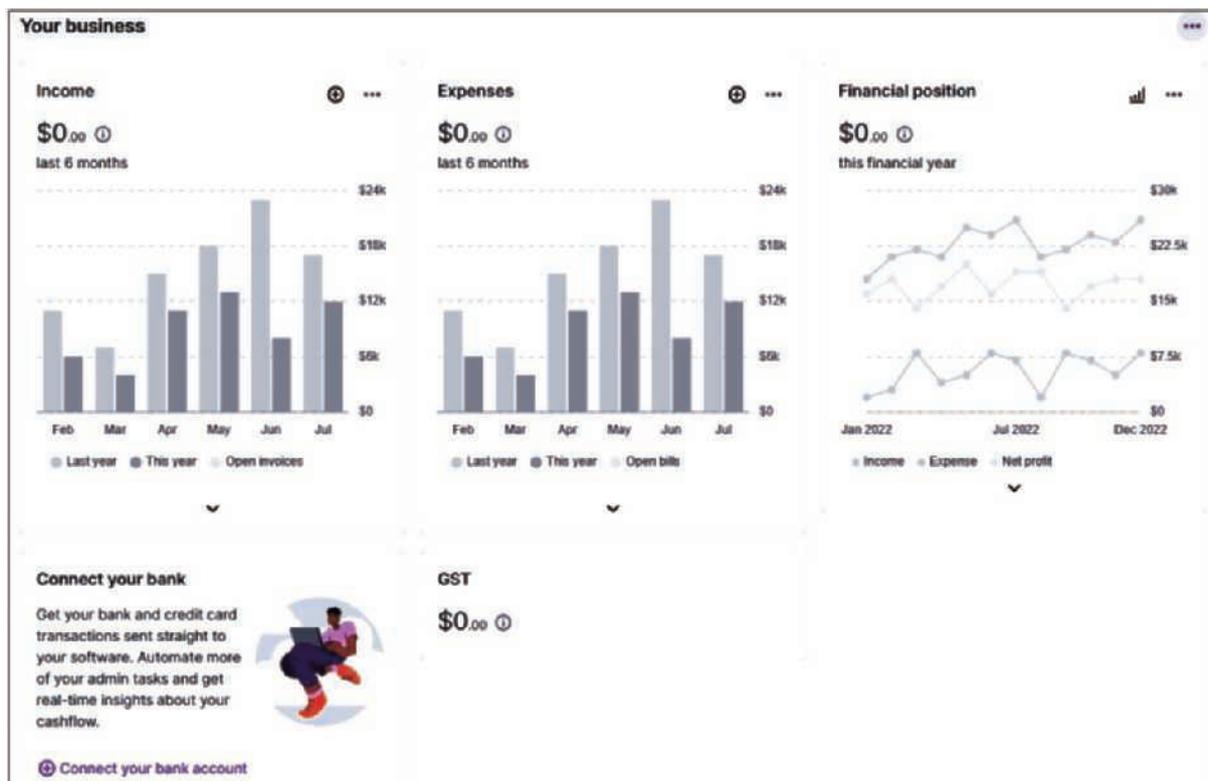


FIGURE 1.10 – Dashboard

This part of the dashboard provides useful insights into your business and how it is performing:

- Income with useful graphs comparing current figures with the previous year.
- Expenses with useful graphs comparing current figures with the previous year.
- Financial position with useful graphs and quick access to the profit and loss report.
- Connect your bank. This is about bank feeds which we will not be using.
- GST. This provides a current figure based on your reporting method.

We will come back to the various menus on the menu bar shortly, but before we do it is important to finish setting up this business the way we want it to operate. Open the menu shown on the right of the dashboard (under the name of the business). I will refer to this menu as the ‘main menu’ to avoid confusion with other menus.

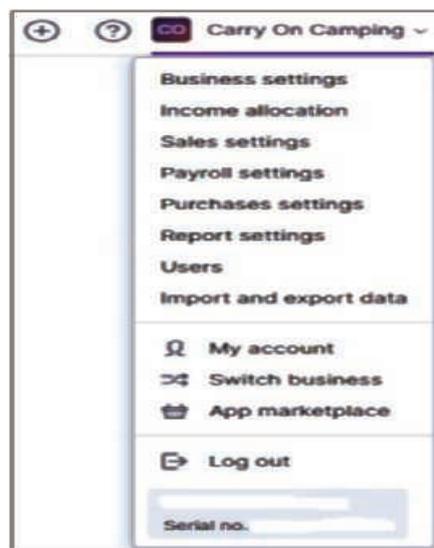


FIGURE 1.11 – Carry On Camping main menu

At the bottom of this menu is your email address and serial number, but more importantly, this is where you go to 'Log out.' All the work you have done to that point is saved and when you are ready to come back and do some more work you use this URL: <https://app.myob.com/> enter your student email address and password and the dashboard with the various businesses you have setup, will load.

Select **Business settings** by clicking on it. The changes you need to make in the top and bottom parts of this screen are covered in figures 1.12 and 1.13.

### Business details

Business name: Automatically displayed.  
Trading name: **Carry On Camping**  
ABN: Automatically displayed.  
GST branch: Leave blank.  
ACN: Leave blank (not applicable).  
Client code: Leave blank unless you want to create a code.

### Industry details

Business industry: **Retail**  
Specific Industry code: Leave blank because the list of codes is very long.

The screenshot shows the MYOB Business details and Industry details form for 'Carry On Camping'. The form is divided into two sections: Business details and Industry details. The Business details section includes fields for Business name (Carry On Camping), Trading name (Carry On Camping), ABN (62 099 854 074), GST branch number, ACN, and Client code. The Industry details section includes a dropdown for Business industry (Retail) and a dropdown for Specific industry code. A warning message at the bottom of the Industry details section states: 'Tell us more about your industry to help us personalise your MYOB experience. Browse or search by ANZSIC code. Specific industry codes may change the Business industry.'

FIGURE 1.12 – Business & Industry details

### Contact details

Address: **1800 Albany Highway  
Maddington WA 6109**  
Email: **carryonc@inet.net.au**  
Phone: **9459 1999**  
Fax: **9459 1991**

### Financial year

Current financial year: **Use the current financial year where possible.** For example, in this exercise the year **2023** has been used as we will not be moving into the next financial year and at the time of writing it was the current financial year.

Depending on when you work these exercises the year 2023, 2024 or later may be more appropriate because your 'system date' fits best in one of those years.

The software will not allow you to use a date beyond the current financial year which is determined by your system date.

Last month in financial year: **June** (most businesses in Australia use this as it is the end of the tax year).

Opening balance date: **May**

### Lock date

Leave blank. This is a useful feature if other people are also using this data file, as it stops them changing entries prior to that date.

**Carry On Camping**

**Contact details**

Address 1800 Albany Highway  
Maddington WA 6109

Website

Email carryonc@inet.net.au

Phone 9459 1999

Fax 9459 1991

**Financial year**

Current financial year 2023

Start new financial year

Last month in financial year June

Financial Year 1 Jul 2022 to 30 Jun 2023

Opening balance date May 2023

Cannot record transactions before 1 May 2023

Changing these dates can affect business reporting and account opening balances. Check with an advisor if you're unsure. [Learn more](#)

**Lock date**

Prevent changes prior to the lock date

Lock date DD/MM/YY

Cancel Save

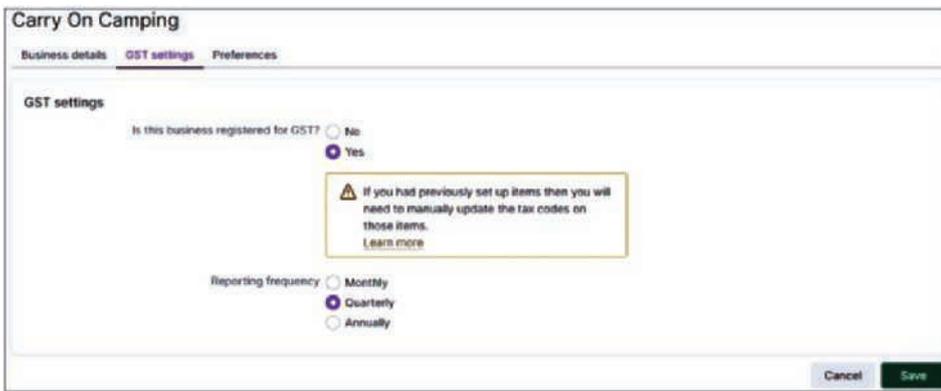
**FIGURE 1.13 – Contact details and financial year**

Some of this information can be edited later, but the financial year and opening balance date cannot, so make sure all this information is correct before you move on.

Click [Save].

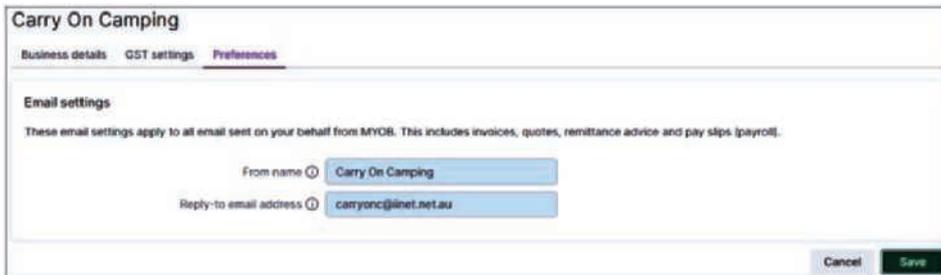
Scroll back to the top of the screen and *click* on **GST settings**.

This business is registered for GST and reports to the Australian Taxation Office quarterly. Select the radio buttons as shown in figure 1.14 if not already selected.



**FIGURE 1.14 – GST settings**

Click [Save] and then click **Preferences**.



**FIGURE 1.15 – Preferences**

If you will be using email, these settings need to be checked. We will not be emailing anything; therefore, they are optional.

Click [Save] and then [Cancel] to return to the dashboard and the main menu.

Next on the menu is **Income allocation** which we will not use for this business because it is a sole trader. It only applies to companies, partnerships, or unit trusts. You will need to complete this in some of the revision exercises.

Click **Sales settings** and select **Services and items** from the menu. This provides a much wider range of options for this business.



**FIGURE 1.16 – Sales settings**

Click [Save] then **Payments** at the top of this window (figure 1.17).

This business gives most of its customers credit terms of net 30 days. Meaning they are expected to pay within 30 days from the date of the invoice. Type **30** in 'days after the issue date' field.

Note the other options available on the menu for the payment field. Unfortunately, this software does not allow us to set up terms on a customer or supplier card.

The invoice payment options would normally be setup, because in today's business world most payments are made electronically. As we are not able to use those options you can leave them unselected.

**FIGURE 1.17 – Payments**

We will be using the default template for sales. You can check out the other options available for sales, but we will not be using them. *Click [Save].*

*Click **Purchases settings** and select **Services and items** from the layout menu.* No other changes are required for purchases. *Click [Save].*

*Click **Report settings**.* This business reports for accounting and GST purposes on the accrual basis. As mentioned previously GST is reported quarterly. You can decide whether you want to see alerts for outstanding exceptions.

**FIGURE 1.18 – Business report settings**

Select **User preferences** and make sure your selections are the same as those shown in figure 1.19. In most cases we will use the defaults for all these exercises as customising reports and templates can be very time consuming.

**Report settings** Save

**Business settings** **User preferences**

**Year-end adjustments**  
Select how you would like year-end adjustments shown in your reports

Include  
 Exclude  
 Only show year-end adjustments

**Display negative amounts**  
Select how you would like to display negative values

In brackets (100)  
 With a minus sign -100

**Other preferences**  
Select the default accounting method used by this business

Accounts with zero balances  
 Account numbers  
 Currency symbols  
 Cents

**PDF styling**  
Select a default PDF style template to apply

PDF style template:

**PDF export**  
Choose the default behaviour for exporting a PDF

Open PDF export in a new tab  
 Download PDF to browser

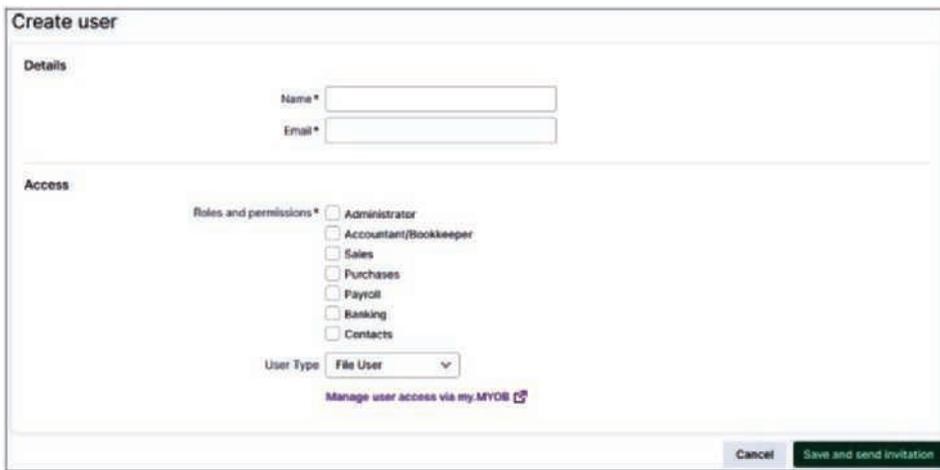
**Report Pack template**  
Select a default report pack template to apply

Report pack template:

**FIGURE 1.19 – User report settings**

Click [Save] and then **Users** on the main menu.

At present you are the only user and have access to all parts of the MYOB data file. You can add other users and limit what parts they are allowed to access e.g., you would not want all employees able to access payroll information. When completing assessments, you will need to add your lecturer(s) by clicking on [Create user] and adding them as 'Administrator' so that they can access your data file. Figure 1.20 shows the information required when adding a user and deciding what they should have access to. Leave blank for now.



**FIGURE 1.20 – Users**

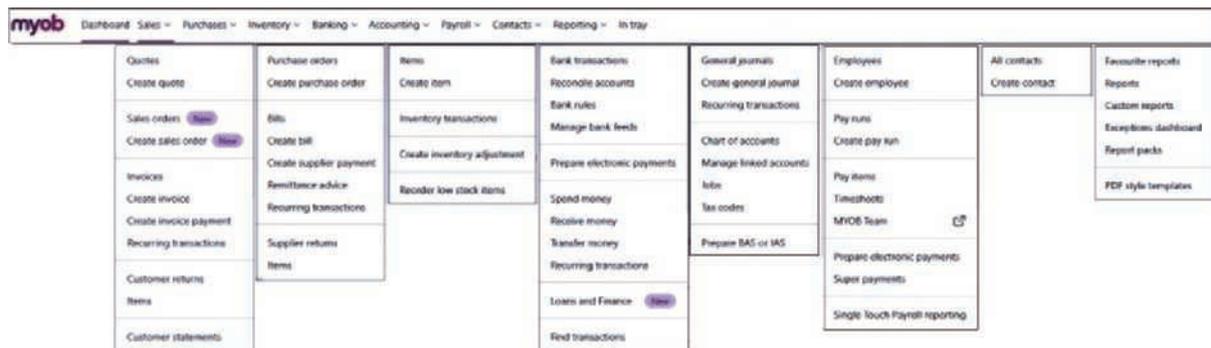
**Switch business** you will find very useful when you have added a few more businesses. This selection takes you to a list of all the data files you have created, and you can open whichever you need to work on.

Of these main menu items, Business settings, Income allocation, and Sales settings are the main ones that must be setup. The others generally default to the options we will be using.

The MYOB computerised accounting system follows the structure of a manual accounting system very closely in many respects. Transactions are classified into functional activities (such as receipts, payments, sales, and purchases) like the manual system’s use of special journals. The use of a general ledger with control accounts for subsidiary ledgers covering accounts receivable, accounts payable and inventory is common to both the manual and MYOB systems. One difference is that MYOB posts to ledger accounts directly from the entry screens and not from journals as in the manual system. A brief overview of each of the menus shown in figure 1.21 is presented in the next section.

### Menu bar

This is probably the thing you will use most. Figure 1.21 is a collage of the menus for sales, purchases, inventory, banking, accounting, payroll, contacts, and reporting. Check out each of them.



**FIGURE 1.21 – Menu bar**

To the right on the menu bar there are two circles. The one with a + symbol in it is a shortcut to create orders, invoices, spend money, etc. The one with the question mark in it provides access to help.

### Sales

The main accounting functions provided are the recording of sales to customers and the receipt of money from them.

- **Quotes/Create Quotes:** We will not be using these.

- **Sales orders:** This option allows you to view a list of orders placed by customers that are either open or have been completed.
- **Create sales order:** This is used to record orders from customers that the business is not currently able to fill, or perhaps the customer does not require delivery until a later date.
- **Invoices:** This option allows you to view an overall picture of your sales activity for a given period.
- **Create invoice:** This is used to record invoices for the sale or return of goods and services using an on-screen pro forma invoice. There are two different types of sales invoices pro forma:
  - **Services** – used to record sales of services or non-inventory items.
  - **Services and items** - used to record the sale of an item of inventory.
- **Create invoice payment:** This is used to record the receipt of money from customers. The receipt is then applied against the invoice or invoices being paid.
- **Recurring transactions:** This can be used if you have invoices issued for the same service or item on a regular basis. This will not be used in any of the exercises.
- **Customer returns:** Used to apply goods returned or credits given to customers against a sale. It is also used to record a refund given to a customer.
- **Items:** Gives you quick access to the list of items you sell or services you provide.
- **Customer statements:** These should be sent to customers on a regular basis to remind them that they owe the business money. We will not be using this feature.

Click on each of the options to view the screens for making data entries.

Recording credit sales in this manner equates to the sales journal used in the manual accounting system. However, unlike the manual system, cash sales are also recorded through this menu, with the cash received linked to the cash records maintained in the banking function. This option generates the accounts receivable subsidiary ledger.

## Purchases

The main functions provided are the recording of purchases from suppliers and payments made to them.

- **Purchase orders:** This option allows you to view an overall picture of your purchase order activity.
- **Create purchase order:** This is used to record an order for the purchase of goods or services.
- **Bills:** This option allows you to view an overall picture of your purchase activity.
- **Create bill:** This is used to record bills for the purchases of goods or services and any returns or allowances made against those purchases using an on-screen pro forma bill. There are two different types of purchase bill pro forma:
  - **Services** – used to record purchases of services or non-inventory items.
  - **Services and items** - used to record the purchase of an item of inventory.
- **Create supplier payment:** This is used to record the payment of money to suppliers. The payment is then applied against the bill or bills being paid.
- **Remittance advice:** A listing of remittance advices once payments are made to suppliers. We will not be using this in any exercise.
- **Recurring transactions:** This can be used if you have bills issued for the same service or item on a regular basis. It will not be used in any of the exercises.
- **Supplier returns:** Used to apply goods returned or credits given to the business against a purchase.
- **Items:** Gives you quick access to the list of items you buy.

Once again, *click* on each of the options to view the screens that are used for data entry.

For credit purchases, this menu produces the equivalent of the purchases journal in the manual system and generates the accounts payable subsidiary ledger. However, unlike the manual system, cash purchases are also recorded through this menu with the cash paid linked to the cash records maintained in banking. As with all other data entry areas, financial records are updated as data is entered.

## Inventory

The main function of this menu is the management of inventory items that you buy, sell and inventory, using a perpetual inventory system and average cost. Alternatively, it can be used in a periodic inventory system where you only buy and sell items. You can create inventory items for products, services, direct labour hours, or activities. In this version of the software, we are limited to 10 items.

- **Items:** Allows you to view an overall picture of your inventory showing quantity on hand, current value, selling price and tax.
- **Create item:** Allows you to create inventory items.
- **Inventory transactions:** A record of all transactions recorded for a given period.
- **Create inventory adjustment:** Used to adjust inventory numbers when goods are returned to inventory but must be written off because they are unsaleable, or a stocktake has revealed some items are missing. Also used to enter opening balances for items.
- **Reorder low stock items:** Provides a listing of items that reached or are below the minimum stock level, allowing you to create a purchase order to restock.

This menu generates the inventory subsidiary ledger.

## Banking

The main function of this menu is about money spent and money received and reconciling accounts. Options that will not be used in any exercises are, bank rules, manage bank feeds, prepare electronic payments and loans and finance.

- **Bank transactions:** Allows you to view and access all bank account transactions for any given period. Connected to bank feeds which we will not be using.
- **Reconcile accounts:** This function allows you to reconcile the balance of your MYOB bank account with the balance on your bank statement. Other accounts, such as the credit card, can also be reconciled.
- **Spend money:** Use this function to record all payments (*except* payments to suppliers), which are made from a bank (cheque) account, petty cash, or a credit card. Payments to suppliers are recorded using the Purchases menu. The details of each payment are entered directly into a pro forma for subsequent recording and posting to the appropriate ledger accounts.
- **Receive money:** Use this function to record receipts from sources *other than* customers. The latter are recorded using the Sales menu. Details of deposits to the business's bank account, petty cash or credit card are entered onto a pro forma for subsequent recording and posting to the appropriate ledger accounts.
- **Transfer Money:** Allows you to record a transfer of money between the business' bank accounts.
- **Recurring transactions:** Very useful if you have regular payments for things like direct debits to or from your bank account. We will not be using this in any exercise.
- **Find transactions:** Allows you to search and locate transactions in any of the source journals.

The recording of payments and receipts in this menu, when combined with the payments to suppliers and receipts from customers, corresponds to the cash receipts and cash payments journals of the manual accounting system.

## Accounting

The menu provides access to the following functions.

- **General journals:** Provides access to a listing of debits and credits, all transactions recorded in all modules during a specified timeframe, with the entries classified by the source journal, and a search function named 'Find and replace'.
- **Create general journal:** For the entry of double-sided general journal entries in an on-screen pro forma general journal.
- **Recurring transactions:** Provides access to all types of recurring transactions that have been set up. We will look at this but may not be able to set it up.
- **Chart of accounts:** Here you set up the chart of accounts, make additions, edit, or delete accounts.

- **Manage linked accounts:** MYOB uses a series of linked accounts to assist it in posting transactions to the correct account. You will come here to set up or change linked accounts for sales and purchases.
- **Jobs:** This is where you create jobs as part of a job costing function to charge customers for jobs performed on their behalf.
- **Tax codes:** Provides a list of all tax codes used by MYOB, the account they are linked to, and the rates at which they are applied. See the appendix for more information on tax codes.
- **Prepare BAS or IAS:** Assists in the completion of the business' Business Activity Statement (BAS). Some of these options will not be used in this book.

Click on each of the flowchart options to view the entry screens.

## Payroll

This menu provides a complete payroll system for the business, allowing you to keep track of historical payroll details and helps you comply with reporting requirements, maintaining records covering obligations to employees, the Australian Taxation Office, and other parties.

- **Employees:** A listing of your employees.
- **Create employees:** Here you create cards for each of your employees.
- **Pay runs:** A listing of all pay runs for a given period.
- **Create pay run:** This is used to create pays for employees for time worked, holidays, allowances, and deductions.
- **Pay items:** Allows you to create, amend or delete various categories of wages, superannuation, leave, deductions, expenses, and taxes used in payroll.
- **Timesheets:** Used to keep track of employee hours.
- **Prepare electronic payments:** MYOB provides for payments to be made by electronic transfer using this menu option.
- **Pay Superannuation:** This is used to pay superannuation liabilities electronically.
- **Single Touch Payroll reporting:** All employers are now required to report pay runs electronically to the Australian Taxation Office using this system. See the appendix for more information.
- **MYOB Team:** Quick access to MYOB for help.

Some of these options will not be used in these exercises.

## Contacts

This menu constitutes the central database containing details on all customers, suppliers, and personal contacts that can be accessed by all the other modules. New suppliers and customers can be set up here, or as you process transactions. This option provides information that allows the business to keep track of customers, suppliers and so on, and aids communication with them.

## Reporting

This option allows the user to select a specific area of the reports function they wish to view, such as sales or purchase reports. Favourite reports allow you to create a list of the reports you use the most. Check out the range of reports available. We will not be creating any customised reports.

## Exiting MYOB

To exit click on **'Log out'** in the main menu. You do not need to save the file; all transactions are automatically saved as you record them. Alternatively, if you are leaving this data file to open another data file you can select **'Switch business'** on the main menu.

If you wish to create a new data file, you must return to [www.myob.com/au/students/education-trial](http://www.myob.com/au/students/education-trial).

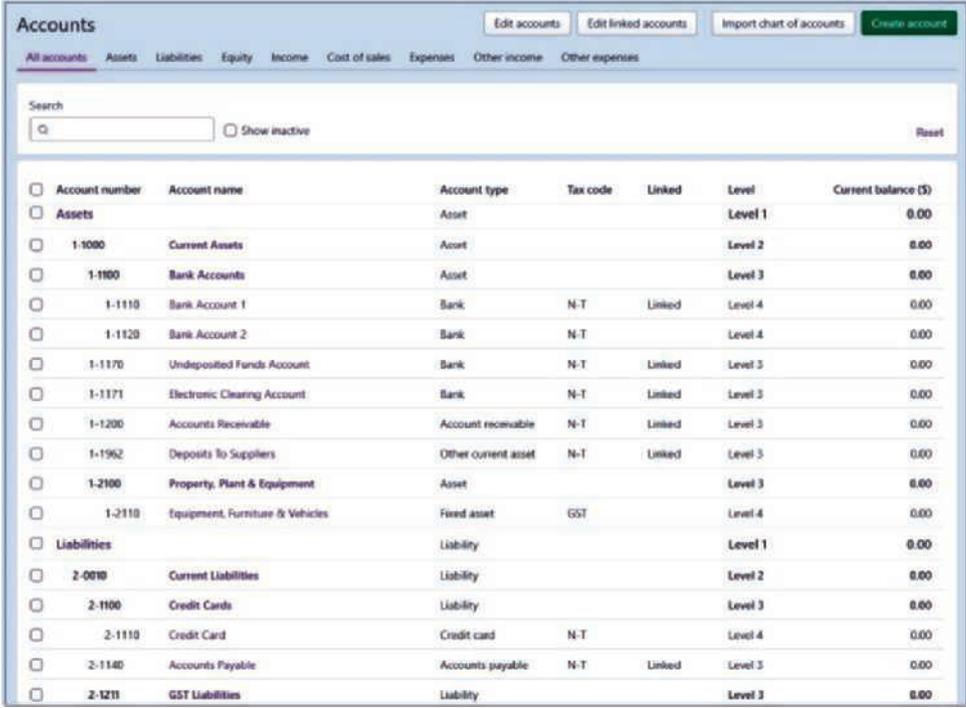
## CHAPTER 2 - ACCOUNTS (GENERAL LEDGER)

In this chapter you will learn how to enter general ledger opening balances. You will discover as you work through the exercises that the objective of this book is not just to teach you how to use MYOB, but to improve your accounting/bookkeeping skills at the same time and show you the similarities or differences between the computerised accounting system and the manual accounting system.

### Set-up the Chart of accounts

#### Add, Edit and Delete Accounts using the 'Accounting' menu

Click **Chart of accounts** on the 'Accounting' menu and then **All accounts** as shown in figure 2.1. Scroll down the list, or alternatively check out each of the account types by *clicking* on each of the account type names listed across the top. MYOB has provided a basic chart of accounts and rarely is it sufficient for most businesses.



The screenshot shows the 'Accounts' window in MYOB. At the top, there are buttons for 'Edit accounts', 'Edit linked accounts', 'Import chart of accounts', and 'Create account'. Below these are tabs for 'All accounts', 'Assets', 'Liabilities', 'Equity', 'Income', 'Cost of sales', 'Expenses', 'Other income', and 'Other expenses'. A search bar and a 'Show inactive' checkbox are also present. The main area contains a table of accounts with columns for Account number, Account name, Account type, Tax code, Linked, Level, and Current balance (\$).

<input type="checkbox"/>	Account number	Account name	Account type	Tax code	Linked	Level	Current balance (\$)
<input type="checkbox"/>	<b>Assets</b>		Asset			Level 1	0.00
<input type="checkbox"/>	1-1000	Current Assets	Asset			Level 2	0.00
<input type="checkbox"/>	1-1100	Bank Accounts	Asset			Level 3	0.00
<input type="checkbox"/>	1-1110	Bank Account 1	Bank	N-T	Linked	Level 4	0.00
<input type="checkbox"/>	1-1120	Bank Account 2	Bank	N-T		Level 4	0.00
<input type="checkbox"/>	1-1170	Undeposited Funds Account	Bank	N-T	Linked	Level 3	0.00
<input type="checkbox"/>	1-1171	Electronic Clearing Account	Bank	N-T	Linked	Level 3	0.00
<input type="checkbox"/>	1-1200	Accounts Receivable	Account receivable	N-T	Linked	Level 3	0.00
<input type="checkbox"/>	1-1962	Deposits to Suppliers	Other current asset	N-T	Linked	Level 3	0.00
<input type="checkbox"/>	1-2100	Property, Plant & Equipment	Asset			Level 3	0.00
<input type="checkbox"/>	1-2110	Equipment, Furniture & Vehicles	Fixed asset	GST		Level 4	0.00
<input type="checkbox"/>	<b>Liabilities</b>		Liability			Level 1	0.00
<input type="checkbox"/>	2-0010	Current Liabilities	Liability			Level 2	0.00
<input type="checkbox"/>	2-1100	Credit Cards	Liability			Level 3	0.00
<input type="checkbox"/>	2-1110	Credit Card	Credit card	N-T		Level 4	0.00
<input type="checkbox"/>	2-1180	Accounts Payable	Accounts payable	N-T	Linked	Level 3	0.00
<input type="checkbox"/>	2-1210	GST Liabilities	Liability			Level 3	0.00

FIGURE 2.1 – Chart of accounts

The numbering system used in MYOB consists of a one-digit primary number followed by four-digit account number. For example, 1 = Asset, 2 = Liability, 3 = Equity, 4 = Income, 5 = Cost of Sales, 6 = Expense, 8 = Other Income, and 9 = Other Expenses.

Note the four buttons at the top of the screen: [Edit accounts], [Edit linked accounts], [Import chart of accounts] and [Create account]. We will not be importing a chart of accounts, but we will use the other buttons.

#### Creating (adding) new accounts

Click the **[Create account]** button and a blank Account Information window will appear with the **Detail Account** radio button selected. (See figure 2.2.)

Detail accounts are used when debits or credits are to be posted to them. Header account level represents a summary level only and postings cannot be recorded against a header account. These accounts are used mainly in the reporting process.

At the 'Account Type' field use the arrow alongside the field and *select* **Bank** from the menu.

- The parent header is **Bank Accounts**.
- In the 'Account Number' field the account number **1-1121** is probably displayed and is acceptable.
- In the 'Account Name' field type **Petty Cash/Cash on Hand**.

The tax code for all accounts where GST does not apply is N-T (Not Reportable) and that is the appropriate code to use for this account. Select it from the menu. To learn more about GST tax codes refer to the appendix.

**FIGURE 2.2 – Detail account**

You can ignore the bottom part of this window. We will not be entering any bank account numbers as we will not be using bank feeds, or electronic payments.

Click [Save] to return to the Chart of accounts. The new account you created, '1-1121 Petty Cash/Cash on Hand', should now be present in the list.

Follow the same procedures to create new accounts for the remainder of the detail accounts listed in table 2.1. Remember to pay particular attention to the account type, parent header and the tax code that should be used. A number of these accounts will also display a 'Classification for statements of cash flows' accept the classification displayed as we will not be displaying cash flow reports.

The addition of a header account requires a slightly different approach in that you should always make sure you tick the box so that there will be subtotals shown in your reports. See figure 2.3 for assistance.

Account #	Account Name	Level	Tax Code	Account Type	Parent Header
1-1201	Less Prov'n for Doubtful Debts	Detail	N-T	Accounts receivable	Current Assets
1-1300	Inventory	Detail	N-T	Other current asset	Current Assets
1-1310	Prepaid Insurance	Detail	N-T	Other current asset	Current Assets
1-2000	Non-Current Assets	Header		Asset	Assets

**TABLE 2.1 – Accounts to be added to the accounts list**

**FIGURE 2.3 – Header account**

Now create the accounts listed in table 2.2.

Account #	Account Name	Level	Tax Code	Account Type	Parent Header
1-2120	Accum. Depr. Furniture & Equipment	Detail	N-T	Fixed asset	Property, Plant & Equipment
1-2200	Improvements	Header		Asset	Non-Current Assets
1-2210	Improvements At Cost	Detail	CAP	Fixed asset	Improvements
1-2220	Accum. Depr. Improvements	Detail	N-T	Fixed asset	Improvements
1-2300	Motor Vehicles	Header		Asset	Assets
1-2310	Motor Vehicles At Cost	Detail	CAP	Fixed asset	Motor Vehicles
1-2320	Accum. Depr. Motor Vehicles	Detail	N-T	Fixed asset	Motor Vehicles
2-1360	Wages & Salaries Payable	Detail	N-T	Other current liability	Current Liabilities
4-1500	Sales Sleeping Equipment	Detail	GST	Income	Income
4-1600	Sales Kitchen Equipment	Detail	GST	Income	Income
4-1700	Sales Other	Detail	GST	Income	Income
4-2100	Service Income	Detail	GST	Income	Income
4-2200	Freight Income	Detail	GST	Income	Income
4-2300	Discount Received	Detail	GST	Income	Income
5-1400	Cost of Sales Tents	Detail	GST	Cost of sales	Cost Of Sales
5-1500	Cost of Sales Sleeping Equipment	Detail	GST	Cost of sales	Cost Of Sales
5-1600	Cost of Sales Kitchen Equipment	Detail	GST	Cost of sales	Cost Of Sales
5-1700	Cost of Sales Other	Detail	GST	Cost of sales	Cost Of Sales
5-3000	Discount Allowed	Detail	GST	Cost of sales	Cost Of Sales
6-1250	Depreciation Expenses	Detail	N-T	Expense	Expenses
6-1300	Electricity Expenses	Detail	GST	Expense	Expenses
6-1500	Insurance Expenses	Detail	N-T	Expense	Expenses
6-4300	Rent Expense	Detail	GST	Expense	Expenses
6-4400	Staff Amenities	Detail	GST	Expense	Expenses

**TABLE 2.2 – Accounts to be added to the chart of accounts**

Check the chart of accounts to confirm that all the new accounts have been created.

## Editing existing accounts

Click [Edit Accounts] and change the name of account **1-1110** to **Business Bank Account** as shown in figure 2.4. Then click [Save].

The screenshot shows the 'Edit Accounts' window. At the top right, there are 'Cancel' and 'Save' buttons. Below them, the 'OPENING BALANCE DATE' is 01/05/2023 and the 'REMAINING BALANCE' is \$0.00. The main area contains a table with columns: Account number, Account name, Account type, Tax code, Opening balance (\$), and Current balance (\$). The table lists 'Assets' as a header, followed by 'Current Assets' and 'Bank Accounts' as sub-headers. The 'Bank Accounts' section shows account 1-1110 with the name 'Business Bank Account', type 'Bank', and tax code 'N-T'. Below the table is a form for editing account 1-1110, with fields for account number, name, type, tax code, opening balance, and current balance.

Account number	Account name	Account type	Tax code	Opening balance (\$)	Current balance (\$)
<b>Assets</b>					
<b>Current Assets</b>					
1-1000	Current Assets	Asset		0.00	0.00
<b>Bank Accounts</b>					
1-1100	Bank Accounts	Asset		0.00	0.00
1-1110	Business Bank Account	Bank	N-T	0.00	0.00

FIGURE 2.4 – Edit an account

A faster alternative to that method is to click on the **account name** and make the changes at the screen that appears. See figure 2.5. Then click [Save].

The screenshot shows the 'Edit account' window for account 1-1120. The 'Linked account for' field is empty. The 'Current balance' is \$0.00. The 'Account category' is 'Detail account'. The 'Account classification' is 'Asset'. The 'Account type' is 'Bank'. The 'Parent header' is 'Bank Accounts'. The 'Account number' is '1-1120'. The 'Account name' is 'Business Investment Account'. The 'Opening balance (\$)' is '0.00'. The 'Tax code' is 'N-T'. There is a 'Notes' field. The 'Inactive account' checkbox is unchecked. At the bottom, there are fields for 'BSB', 'Bank account number', 'Bank account name', and 'Company trading name'. There is also a checkbox for 'I create ABA bank files for this account'.

FIGURE 2.5 – Edit an account

Now edit the remainder of the accounts shown in table 2.3.

In some accounts it is a change of name, others an account number, tax code, or something else.

Account #	Account Name	Level	Tax Code	Account Type	Parent Header
1-1110	Business Bank Account	Detail	N-T	Bank	Bank Accounts
1-1120	Business Investment Account	Detail	N-T	Bank	Bank Accounts
1-2100	Furniture & Equipment	Header		Asset	Non-Current Assets
1-2110	Furniture & Equipment At Cost	Detail	CAP	Fixed Asset	Furniture & Equipment
2-1110	Visa	Detail	N-T	Credit card	Credit Cards
3-1000	Owner's Capital	Detail	N-T	Equity	Equity
3-2000	Owner's Drawings	Detail	N-T	Equity	Equity
4-1400	Sales Tents	Detail	GST	Income	Income
5-2000	Freight Costs	Detail	GST	Cost of Sales	Cost Of Sales
6-4280	Postage & Stationery	Detail	GST	Expense	Expenses

**TABLE 2.3 – Accounts to be edited**

### Delete existing accounts

To delete the account **6-1470 Freight, Courier & Postage**, *click* the account name in the account list and then simply *click* the [Delete] button at the bottom left of the window that appears.

You will get a message telling you that it cannot be undone or recovered later. *Click* [Delete].

The account has now disappeared from the chart of accounts.

Now delete the other account listed in table 2.4.

Account #	Account Name	Level	Tax Code	Account Type
6-1470	Freight, Courier & Postage	Detail	GST	Expense
6-1460	Merchant Fees	Detail	GST	Expense

**TABLE 2.4 – Accounts to be deleted**

An alternative method is to tick the box alongside the account you want to delete. At the top of the listing three buttons will appear. Use the [Delete accounts] button and the same warning message will display. In most exercises you will not be required to delete accounts.

## Linked accounts

### Double-entry accounting and linked accounts

It is important to remember that MYOB is a fully integrated double-entry system of accounting. MYOB uses 'linked accounts' to achieve the double entry for transactions entered. For example, a simple invoice involves postings to:

- (1) the customer's account in the subsidiary ledger.
- (2) the Accounts Receivable control account in the general ledger.
- (3) the sale to the appropriate sales income account.
- (4) the GST to the GST account.
- (5) the freight to the correct freight account (if applicable).
- (6) the inventory subsidiary ledger is updated for the item sold.
- (7) the Inventory control account in the general ledger.

All this is achieved from one simple screen with the aid of a series of linked accounts.

When a new data file is created for a business, MYOB automatically sets up a system of linked accounts that establish the debit/credit links in the accounting system. This system can be amended to suit the needs of a particular business and the account structure used. Changing linked accounts can be done

either via **Manage linked accounts** on the 'Accounting' menu, or through the **[Edit linked accounts]** button at the top of the chart of accounts screen.

## Changing Linked Accounts

Click on either of those options and the window shown below will appear. No changes are required for accounts & banking.



The screenshot shows the 'Linked accounts' window with the 'Accounts & Banking' tab selected. It lists several account types with dropdown menus for selection:

- Equity account for current earnings: 3-9000 Current Year Profit/(Loss)
- Equity account for retained earnings: 3-8000 Prior Years Profit/(Loss)
- Equity account for historical balancing: 3-9999 Historical Balancing
- Bank account for electronic payments: 1-1171 Electronic Clearing Account
- Bank account for undeposited funds: 1-1170 Undeposited Funds Account

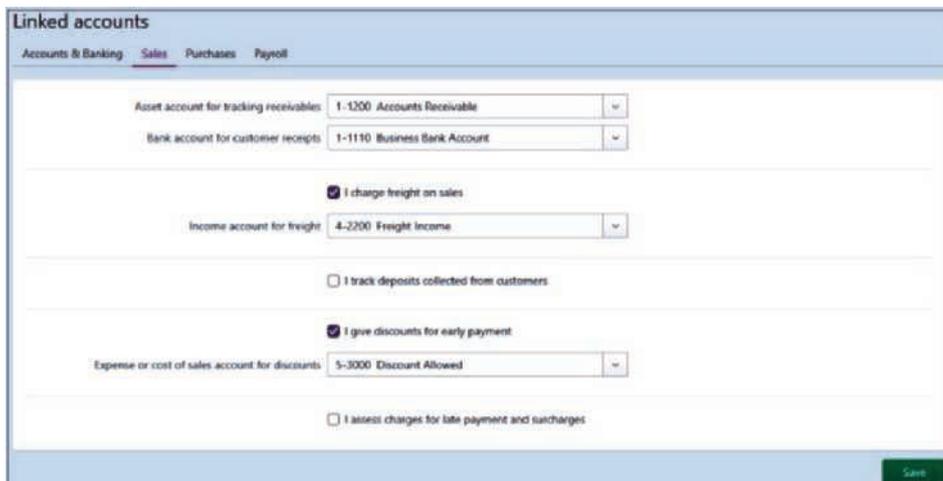
A 'Save' button is visible at the bottom right.

FIGURE 2.6 – Linked accounts

Click **Sales** and activate the 'I charge freight on sales' by ticking the box. You can then *select* account **4-2200 Freight Income** using the arrow alongside the field.

Activate the 'I give discounts for early payment' and *select* account **5-3000 Discount Allowed**. Your screen should now look the same as figure 2.7.

**Note:** You cannot delete linked accounts. If you want to delete an account that is linked, you must remove the linking first.



The screenshot shows the 'Linked accounts' window with the 'Sales' tab selected. It displays several settings and account selection options:

- Asset account for tracking receivables: 1-1200 Accounts Receivable
- Bank account for customer receipts: 1-1110 Business Bank Account
- I charge freight on sales
- Income account for freight: 4-2200 Freight Income
- I track deposits collected from customers
- I give discounts for early payment
- Expense or cost of sales account for discounts: 5-3000 Discount Allowed
- I assess charges for late payment and surcharges

A 'Save' button is visible at the bottom right.

FIGURE 2.7 – Sales linked accounts

Sometimes the business receives a deposit from customers so you will need to activate the 'I track deposits collected from customers' and add an account to the chart of accounts to link it to. This is how you do it:

- Use the arrow alongside the field and *click* **Create account** at the top of the list that appears. The window shown in figure 2.8 will then appear, and here you select the type of account you want to add. In this case it is a liability as we have not delivered any goods to the customer yet.
- Scroll down the list and *select* account **2-1538 Customer Deposits** as shown.

**Create account**

Account type\*  
Liability

Recommended accounts  
Search recommended

Select a recommended account from the list to continue.

Account number	Account name	Tax code
<input type="radio"/> 2-1534	Child Support Payable	N-T
<input checked="" type="radio"/> 2-1538	Customer Deposits	N-T
<input type="radio"/> 2-1540	Credit Notes Issued	N-T
<input type="radio"/> 2-1542	Gift Vouchers Issued	N-T
<input type="radio"/> 2-1544	Income in Advance	N-T
<input type="radio"/> 2-1548	Lay-by Payments	N-T
<input type="radio"/> 2-1552	Union Fees Payable	N-T
<input type="radio"/> 2-1554	Union Fees Payable	N-T

Don't see what you need? Create custom account

Cancel Save

**FIGURE 2.8 – Create account to link to**

Click [Save] then [Save] again at the Linked accounts window.

Click on **Purchases**. Activate all the options except the first and last ones. Note the linking MYOB has used for purchases and change the linking as shown in figure 2.9.

Currently we are not able to utilise the first option. Click [Save].

**Linked accounts**

Accounts & Banking Sales **Purchases** Payroll

Liability account for tracking payables: 2-1140 Accounts Payable

Bank account for paying bills: 1-1110 Business Bank Account

I can receive items without a supplier bill

I pay freight on purchases

Expense or cost of sales account for freight: 5-2000 Freight Costs

I track deposits paid to suppliers

Asset account for supplier deposits: 1-1962 Deposits To Suppliers

I take discounts for early payment

Expense (or Contra) account for discounts: 4-2300 Discount Received

I pay charges for late payment

Save

**FIGURE 2.9 – Purchases linked accounts**

No changes are required to the linking for payroll.

## General ledger opening balances

### Entering general ledger opening balances

The business' trial balance on 30 April 202\_ is set out in figure 2.10. These are the opening balance figures you will be entering.

**Carry On Camping**  
**Trial Balance as at 30 April 202\_**

Account No.	Account Name	Debit	Credit
1-1110	Business Bank Account	\$ 33 615	
1-1120	Business Investment Account	5 000	
1-1121	Petty Cash/Cash on Hand	100	
1-1200	Accounts Receivable	7 245	
1-1201	Less Prov'n for Doubtful Debts		\$ 275
1-1300	Inventory	10 700	
1-1310	Prepaid Insurance	890	
1-2110	Furniture & Equipment At Cost	8 400	
1-2120	Accum. Depr. Furniture & Equipment		4 410
1-2210	Improvements At Cost	5 000	
1-2220	Accum. Depr. Improvements		3 830
1-2310	Motor Vehicles At Cost	16 900	
1-2320	Accum. Depr. Motor Vehicles		11 940
2-1110	Visa		1 465
2-1140	Accounts Payable		5 340
2-1212	GST		3 610
2-1350	PAYG Withholding Payable		2 635
2-1355	Superannuation Payable		477
2-1360	Wages & Salaries Payable		1 003
3-1000	Owner's Capital		52 495
3-2000	Owner's Drawings	22 700	
4-1400	Sales Tents		108 900
4-1500	Sales Sleeping Equipment		16 800
4-1600	Sales Kitchen Equipment		48 750
4-1700	Sales Other		59 780
4-2100	Service Income		3 000
4-2200	Freight Income		1 200
4-2300	Discount Received		300
5-1400	Cost of Sales Tents	38 400	
5-1500	Cost of Sales Sleeping Equip	8 160	
5-1600	Cost of Sales Kitchen Equip	26 400	
5-1700	Cost of Sales Other	28 800	
5-2000	Freight Costs	550	
5-3000	Discount Allowed	250	
6-1110	Accounting & Bookkeeping	900	
6-1120	Advertising & Marketing	4 500	
6-1160	Bank Fees & Charges	200	
6-1250	Depreciation Expenses	3 370	
6-1300	Electricity Expenses	1 775	
6-1500	Insurance Expenses	4 450	
6-1700	Motor Vehicle Expenses	4 200	
6-4100	Payroll - Wages & Salaries	53 922	
6-4200	Payroll - Superannuation	5 123	
6-4280	Postage & Stationery	370	
6-4300	Rent Expense	30 000	
6-4320	Repairs & Maintenance	1 160	
6-4400	Staff Amenities	210	
6-4460	Telephone & Internet	2 920	
<b>Total</b>		<b>\$ 326 210</b>	<b>\$ 326 210</b>

**FIGURE 2.10 – Opening Balances**

At the **Chart of accounts** window, *click* [Edit accounts]. The **Opening balance (\$)** column is where you enter the opening balances for this business.

Note the red \$0.00 'Remaining Balance' figure at the top right. When all the balances have been entered, that figure should be \$0.00 again. If the amount showing is not zero, then check the figures you have entered and correct the error(s).

To enter the opening balances, *click* the **\$0.00** in the Opening Balance column field for account **1-1110 Business Bank Account** and *type* **33615** (see figure 2.11). *Press* [Tab] to move to the next account with a balance to be entered, and so on until all the opening balances in figure 2.10 have been entered. *Press* [Tab] again after you have entered the final figure.

Account number	Account name	Account type	Tax code	Opening balance (\$)	Current balance (\$)
<b>Assets</b>		<b>Asset</b>		0.00	0.00
1-1000	Current Assets	Asset		0.00	0.00
1-1100	Bank Accounts	Asset		0.00	0.00
1-1110	Business Bank Account	Bank	N-T	33,615.00	0.00
1-1120	Business Investment Account	Bank	N-T	0.00	0.00

**FIGURE 2.11 – Opening balance entry**

MYOB knows that assets and expenses normally have debit balances, and that liability, equity and income accounts normally have credit balances, so **do not** use a negative sign in front of the credit balance figures.

The exception to this rule is when the balance you are about to enter, is 'contra to the norm' for that account type. You must enter these figures with a negative sign in front of the amount, otherwise MYOB will misinterpret them. Examples of accounts where this rule applies are – accumulated depreciation, provision for doubtful debts, and drawings.

Account number	Account name	Account type	Tax code	Opening balance (\$)	Current balance (\$)
<b>Assets</b>		<b>Asset</b>		67,395.00	67,395.00
1-1000	Current Assets	Asset		57,275.00	57,275.00
1-1100	Bank Accounts	Asset		38,715.00	38,715.00
1-1110	Business Bank Account	Bank	N-T	33,615.00	33,615.00

**FIGURE 2.12– Completed opening balances**

Remember to click [Save] before you return to the dashboard.

That finalises the setting up of the general ledger accounts and the entry of the opening general ledger balances.

**Warning:** On several occasions MYOB did some strange things when I was entering the opening balances. If this happens to you, I suggest you re-enter all the balances as \$0.00 and try again. Sometimes logging out, logging back in, and then entering the figures again seems to fix the problem.

# Chart of Accounts

## Check the Chart of Accounts

Check the chart of accounts and opening balances and if some of the balances are missing, or you have a figure in the 'Historical Balancing' account, there is a mistake somewhere and you will have to go back and re-enter all the balances, to make sure they are correct next time around.

The Historical Balancing account is used by MYOB to balance out opening balance figures that do not balance. If you see a balance in this account you, and your tutor, will know that you did not balance your opening balances. The chart of accounts should show a 'Current Year Profit/(Loss)' of \$23,070.00.

**Note:** Make sure all the opening balances are present and correct before you start processing any transactions.

## Account Levels

These levels are used so that useful subtotals can be shown in reports. If you need to move an account up or down a level, you can do this at the chart of accounts screen by clicking on the account you want to move and using the edit window to change the account type and/or parent header.

## Moving Accounts

You can move accounts around in the chart of accounts provided they are only being moved within the same classification. For example, if we had not created the header account 1-2000 Non-Current Assets, then the value for all the fixed assets would have added into the current assets total. We would then have had to move several accounts for better reporting. To do this, if for example, you were to tick Furniture & Equipment, the subaccounts would automatically be ticked as well. At the top, three buttons will have appeared, and using the list for 'Move to' these accounts can be moved to the correct classification.

# Reports

## Display Trial Balance

From the **Reporting** menu *select Reports*.

Click on **Trial balance** in the list of Business reports (see figure 2.13).

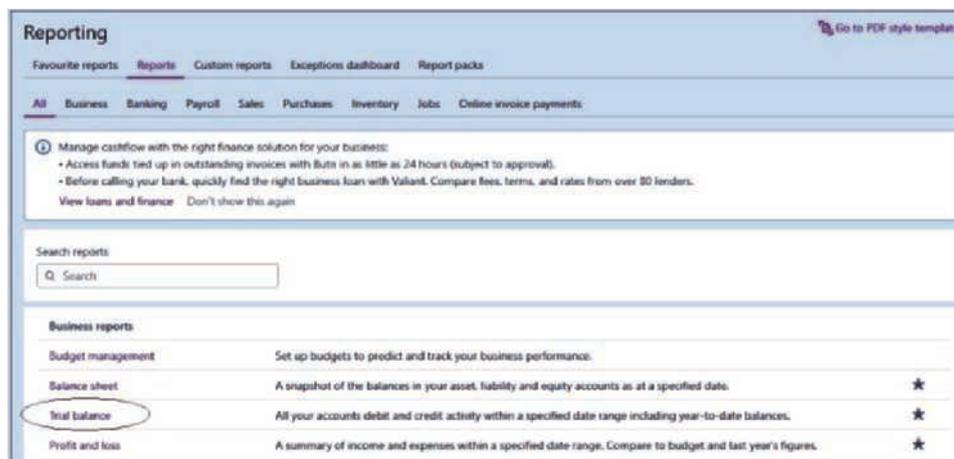


FIGURE 2.13 – Select and customise a report

When the report appears, check out the [Report options] and remove the tick from 'Show net profit total' as that is not usually required for a trial balance. No changes are required for the [Customise] and [Compare periods] buttons. In the 'As at' fields *select May* as the month and **202\_** as the year. Scroll down and check that the totals agree.

Click [Export] and select **PDF**. Accept the 'Default' style and click [Export].

The report shown in figure 2.14 is the PDF report modified so that it will fit on one page. What you will see is a two-page report. Most reports in this textbook have been modified to fit on one page.

Carry On Camping 1800 Albany Highway Maddington WA 6109 9459 1999					
<b>Trial balance report</b>					
May 2023					
Account no	Account name	Debit (\$)	Credit (\$)	YTD Debit (\$)	YTD Credit (\$)
1-1110	Business Bank Account	0.00		33,615.00	
1-1120	Business Investment Account	0.00		5,000.00	
1-1121	Petty Cash/Cash on Hand	0.00		100.00	
1-1200	Accounts Receivable	0.00		7,245.00	
1-1201	Less Prov'n for Doubtful Debts	0.00			275.00
1-1300	Inventory	0.00		10,700.00	
1-1310	Prepaid Insurance	0.00		890.00	
1-2110	Furniture & Equipment At Cost	0.00		8,400.00	
1-2120	Accum. Depr. Furniture & Equipment	0.00			4,410.00
1-2210	Improvements At Cost	0.00		5,000.00	
1-2220	Accum. Depr. Improvements	0.00			3,830.00
1-2310	Motor Vehicles At Cost	0.00		16,900.00	
1-2320	Accum. Depr. Motor Vehicles	0.00			11,940.00
2-1110	Visa		0.00		1,465.00
2-1140	Accounts Payable	0.00			5,340.00
2-1212	GST		0.00		3,610.00
2-1350	PAYG Withholding Payable		0.00		2,635.00
2-1355	Superannuation Payable		0.00		477.00
2-1360	Wages & Salaries Payable		0.00		1,003.00
3-1000	Owner's Capital		0.00		52,495.00
3-2000	Owner's Drawings		0.00	22,700.00	
4-1400	Sales Tents		0.00		108,900.00
4-1500	Sales Sleeping Equipment		0.00		16,800.00
4-1600	Sales Kitchen Equipment		0.00		48,750.00
4-1700	Sales Other		0.00		59,780.00
4-2100	Service Income		0.00		3,000.00
4-2200	Freight Income		0.00		1,200.00
4-2300	Discount Received		0.00		300.00
5-1400	Cost of Sales Tents	0.00		38,400.00	
5-1500	Cost of Sales Sleeping Equipment	0.00		8,160.00	
5-1600	Cost of Sales Kitchen Equipment	0.00		26,400.00	
5-1700	Cost of Sales Other	0.00		28,800.00	
5-2000	Freight Costs	0.00		550.00	
5-3000	Discount Allowed	0.00		250.00	
6-1110	Accounting & Bookkeeping	0.00		900.00	
6-1120	Advertising & Marketing	0.00		4,500.00	
6-1160	Bank Fees & Charges	0.00		200.00	
6-1250	Depreciation Expenses	0.00		3,370.00	
6-1300	Electricity Expenses	0.00		1,775.00	
6-1500	Insurance Expenses	0.00		4,450.00	
6-1700	Motor Vehicle Expenses	0.00		4,200.00	
6-4100	Payroll - Wages & Salaries	0.00		53,922.00	
6-4200	Payroll- Superannuation	0.00		5,123.00	
6-4280	Postage & Stationery	0.00		370.00	
6-4300	Rent Expense	0.00		30,000.00	
6-4320	Repairs & Maintenance	0.00		1,160.00	
6-4400	Staff Amenities	0.00		210.00	
6-4460	Telephone & Internet	0.00		2,920.00	
<b>Grand total</b>		<b>0.00</b>	<b>0.00</b>	<b>326,210.00</b>	<b>326,210.00</b>

FIGURE 2.14 – Trial Balance for May

Close the tab on which the PDF report is displayed and back at the MYOB report window, either go back to reports, to view another report, or return to the dashboard. There is no need to save the report.

You can now log out.

Go to [www.myob.com/au/students/education-trial](http://www.myob.com/au/students/education-trial) to create a new file for the revision exercise.

## REVISION EXERCISE

The purpose of this exercise is to improve your knowledge on how to classify accounts and work with account levels. The reports that you produce must look professional. Your tutor may request you print your reports and hand them in.

When you access the software, after the initial creation of a new file at the URL shown on the previous page, you should see a list of the businesses you have created. See figure 2.15. **Select Creative Cards Pty Ltd** and continue with the setup.

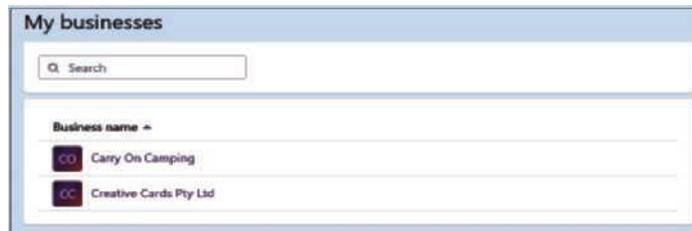


FIGURE 2.15 – List of businesses

The most important things when setting up a new data file are:

- The type of business e.g., individual, company, partnership.
- Business settings – financial year and opening balance date.
- Chart of accounts – no need to delete accounts unless you want to.
- Sales settings and linked accounts.
- Income allocation if it is a partnership.

This is a small business that has a casual employee, but you will not be using the payroll module. They buy and sell cards for various occasions such as birthday, baby, get well etc. and they use a periodic inventory system.

### *Create a new data file*

Company name:	<b>Creative Cards Pty Ltd</b>
ABN:	<b>22 629 770 354</b>
Registered for GST:	<b>Yes (Reports quarterly)</b>
Type of business:	<b>Company</b>
Industry:	<b>Retail</b>
Address:	<b>17 Simpson Road Adelaide SA 5000</b>
Phone:	<b>8294 3680</b>
Current financial year:	<b>202_</b>
Last month of financial year:	<b>June</b>
Opening balance date:	<b>November</b>

### *Chart of accounts*

MYOB has created some accounts for you. They may or may not be suitable for this business, therefore your task is to add, edit or delete accounts, check accounts are linked correctly, and enter opening balances.

### ***Add accounts***

Type	Account No.	Account Name	Level	Tax Code
Other Current Asset	1-1350	Prepaid Expenses	Detail	N-T
Asset	1-2100	Office Equipment	Header	
Asset	1-2500	Motor Vehicles	Header	
Other Current Liability	2-1360	Wages & Salaries Payable	Detail	N-T
Income	4-1500	Discounts Received	Detail	GST
Cost of Sales	5-4000	Discounts Given	Detail	GST
Expense	6-1140	Bad Debts	Detail	GST
Other Income	8-2000	Profit on Sale of Asset	Detail	N-T

**TABLE 2.5 – Add accounts**

You must make sure the header accounts are working as they should, and detail accounts subtotal to their header account(s).

### ***Edit accounts***

Old Number & Name	New Number & Name	Level	Tax Code
1-1110 Business Bank Account #1	1-1110 BOQ Cheque Account	Detail	N-T
1-2100 Property, Plant & Equipment	1-2000 Property, Plant & Equipment	Header	
1-2110 Plant & Equipment	1-2110 Office Equipment @ Cost	Detail	CAP
1-2120 Accum. Depr. Plant & Equipment	1-2120 Accum. Depr. Office Equipment	Detail	N-T
1-2510 Motor Vehicles	1-2510 Motor Vehicles @ Cost	Detail	CAP
3-1000 Owner's Funds Introduced/ Personal Income	3-1000 Share Capital	Detail	N-T
5-0100 Opening Stock/Inventory	5-1000 Opening Stock/Inventory	Detail	N-T
5-0200 Closing Stock/Inventory	5-3000 Closing Stock/Inventory	Detail	N-T
5-2340 Purchase Returns	5-2000 Purchases	Detail	GST

**TABLE 2.6 – Edit accounts**

### ***Edit linked accounts***

Link the discount accounts for sales and purchases to these accounts.

- 5-4000 Discounts Given for sales.
- 4-1500 Discounts Received for purchases.

### ***Enter opening balances***

The trial balance in figure 2.16 is taken from the manual accounting system the company has been using up to the end of October.

**Trial balance report**  
**Creative Cards Pty Ltd**

17 Simpson Road  
Adelaide SA 5000

**Oct 202\_**

Account no	Account name	Debit (\$)	Credit (\$)
1-1110	BOQ Cheque Account	6,000.00	
1-1200	Accounts Receivable	8,000.00	
1-1300	Stock on hand	5,000.00	
1-1350	Prepaid Expenses	2,000.00	
1-2110	Office Equipment @ Cost	7,000.00	
1-2120	Accum. Depr. Office Equipment		1,000.00
1-2510	Motor Vehicles @ Cost	5,000.00	
1-2520	Accum. Depr Motor Vehicles		2,200.00
2-1140	Accounts Payable		4,000.00
2-1212	GST Balance		400.00
3-1000	Share Capital		100.00
3-8000	Retained Earnings		20,500.00
4-1400	Sales		20,000.00
4-1500	Discounts Received		100.00
5-1000	Opening Stock/Inventory	4,000.00	
5-2000	Purchases	9,000.00	
5-3000	Closing Stock/Inventory		5,000.00
5-4000	Discounts Given	200.00	
6-1120	Advertising & Marketing	400.00	
6-1160	Bank Fees	100.00	
6-1550	Insurance	600.00	
6-1700	Motor Vehicle Expenses	1,700.00	
6-4100	Payroll - Wages & Salaries	4,000.00	
6-4460	Telephone & Internet	300.00	
<b>Grand total</b>		<b>53,300.00</b>	<b>53,300.00</b>

**FIGURE 2.16 – Trial Balance as at 31/10/202\_**

This data file will be used in the revision exercise at the end of the next chapter.

## CHAPTER 3 – COMPLETION OF GENERAL LEDGER SETUP AND GENERAL JOURNAL ENTRIES

In this chapter you will learn how to complete an initial bank reconciliation and to finalise the general ledger setup of the data file created in the previous chapter. You will also learn how to record a variety of general journal entries, including recurring entries. Before commencing the transactions in the next chapter some time will be spent on helping you understand GST.

The structure of Carry On Camping business is that of a sole trader registered for GST. The owner, James Brown, has been in business for several years. There are two employees, one full-time the other part-time. The business offers prompt payment discounts to some customers and receives discounts from some of their suppliers.

Open the **Carry On Camping** data file. This data file will be used for the main exercise in all chapters.

### Initial Bank Reconciliation

When picking up opening balances for an existing business there is often a difference between the bank balance showing in the computer records and the balance appearing on the bank statement. The reason for this difference will be that there are cheques and/or deposits that have been recorded by the business but have not yet been presented at the bank. The bank reconciliation shown below is a manual one prepared by the owner.

<b>Bank Reconciliation Statement (As at 30/04/202_)</b>	
CR balance as per bank statement	\$36,465
Add: Outstanding Deposit	<u>\$ 1,000</u>
	\$37,465
Less: Outstanding Cheque	
Cheque # 170 – Commercial Realty	<u>\$ 3,850</u>
DR balance as per Business Bank Account	<u>\$33,615</u>

**FIGURE 3.1 – Manual bank reconciliation**

To record outstanding cheques and outstanding deposits in MYOB, *without* altering the MYOB bank balance, use the following steps:

- Step 1: Enter Outstanding Cheques
- Step 2: Enter Outstanding Deposits
- Step 3: Enter Bank Statement details and reconcile.

#### Step 1: Enter outstanding cheques

Select the **Banking** menu and then select the **Spend money** option.

Bank account: **1-1110 Business Bank Account**  
Reference no: **170**  
Date: **1/05/202\_**

**Note:** Your opening balance month is May and you have been given a bank reconciliation dated 30 April. The date you must use for these entries is 1 May because MYOB will not let you enter transactions with a date earlier than the start date of your opening balance month.

Contact (payee): Leave blank (No payee cards set up)  
Description: **Outstanding cheque**  
Account: **1-1110** (The N-T tax code is used because this is an outstanding cheque that has already been recorded in the accounting records in a prior period)  
Amount: **3850**  
Quantity: Leave blank.  
Description: **Commercial Realty**

**FIGURE 3.2 - Enter outstanding cheque**

**Note:** We will not be using the 'Attachments' section at the bottom of this window in any exercises. Click [Record].

The 'Find transactions' window will appear. This function is handy when you are trying to locate a transaction. If you change the dates to **1/05/202\_** to **31/05/202\_** and select **'All'** as the source journal, the transaction you have just recorded will appear. If you click on 'Find and replace' you can make changes to the transaction, if for example, you posted it to the wrong account.

### Step 2: Enter outstanding deposits

Select the **Receive money** option on the **Banking** menu.

- Bank account: **1-1110 Business Bank Account**
- Reference no: Accept default.
- Date: **1/05/202\_**
- Contact: Leave blank as there are no cards set up.
- Description: **Outstanding deposit**
- Account: **1-1110** (Use the N-T tax code)
- Amount: **1000**
- Quantity: Leave blank.
- Description: **Cash**

**FIGURE 3.3 – Enter outstanding deposit**

Click [Record].

### Step 3: Enter bank statement details and reconcile

Select the **Reconcile accounts** option on the **Banking** menu.

Account: **1-1110 Business Bank Account**  
(Select the account to be reconciled)

Statement Date: **1/05/202\_**  
(The end date from the bank statement is 30/04/202\_ but if you enter that date the transactions will not display)

Closing Statement Balance: **36465.00**  
(The closing balance from the bank statement)

The normal procedure with an end of month bank reconciliation is to mark with a tick the items that have been cleared by the bank (i.e., appear on the bank statement). The 'unmarked items' represent the items that have not yet been cleared. With the initial bank reconciliation, the items you mark are the opposite (or wrong side) of what should display as outstanding. Outstanding cheques should appear as a withdrawal and outstanding deposits as a deposit; therefore, you mark withdrawals that appear as deposits and deposits that appear as withdrawals. (See figure 3.4.)

**Note:** The 'Out of Balance' amount should be \$0.00. If not, then you have made a mistake and unless you find the mistake you will not be able to complete the bank reconciliation correctly.

Date	Reference	Description	Withdrawal (\$)	Deposit (\$)
01/05/2023	170	Outstanding cheque	3,850.00	
<input checked="" type="checkbox"/>	01/05/2023	170	Outstanding cheque	3,850.00
<input type="checkbox"/>	01/05/2023	CR000001	Outstanding deposit	1,000.00
<input checked="" type="checkbox"/>	01/05/2023	CR000001	Outstanding deposit	1,000.00

FIGURE 3.4 – Reconcile accounts

Click [Reconcile].

Date	Reference	Description	Withdrawal (\$)	Deposit (\$)
<input type="checkbox"/>	01/05/2023	170	Outstanding cheque	3,850.00
<input type="checkbox"/>	01/05/2023	CR000001	Outstanding deposit	1,000.00

FIGURE 3.5 – Reconciled accounts

**Note:** There is now displayed on the window, an 'Undo' symbol. If you made a mistake in the reconciliation, use this to undo the reconciliation and do it again.

Click **Dashboard**.

### General Journal Transactions

General Journal entries are entered via the '**Accounting**' menu and the **Create general journal** option and they are recorded in a similar manner to those prepared manually, the only difference being that MYOB will work out the GST for you, if there is GST in the transaction, and post it to the appropriate account.

This option is used to record transactions that cannot be recorded in one of the other MYOB modules. Examples are, year or period-end adjustments, reversing entries and the purchase of assets that are financed.

The following general journal entries are not in date order but are in this sequence to assist in demonstrating a variety of general journal entries.

### Reverse an accrued expense from the previous period

Accrued expenses are expenses that have been incurred, such as wages earned by employees, but not yet paid. They are entered in the records for that business as part of the matching concept (matching revenue with the expenses incurred to generate the revenue for that period).

#### **1/05/202\_      Reverse the Wages & Salaries Payable (\$1,003) accrued in April 202\_.**

Select the **Accounting** menu and *click* **Create general journal**.

Date: **1/5/202\_** [Tab]

Display in GST report as: There is no need to select either radio button as there is no GST in this entry. MYOB will automatically select one for you.

Memo: **Reverse wages accrued in April** [Tab]

Reference no: (Accept default) [Tab]

Account: **2-1360** [Tab]

**Tip:** If you do not know the account number, but you know it is a liability, *type 2* in the field and the chart of accounts will appear, starting at accounts that begin with a 2, scroll down the list and *select* the account you require by *clicking* on it, MYOB will then insert the account into the field for you. Alternatively, you can start typing the name of the account and MYOB will display a short list of appropriate accounts to select from.

Debit: **1003** [Tab]

Description: **Reversal** (these memos are optional, but useful if additional information is likely to be required)

Tax code: **N-T** [Tab]

Account: **6-4100** [Tab]

Credit: **1003** [Tab]

Description: **April wages** [Tab]

Tax code: **N-T** [Tab]

Account *	Debit (\$)	Credit (\$)	Quantity	Description	Job	Tax code *
2-1360 Wages & Salaries Payable	1,003.00			Reversal		N-T
6-4100 Payroll - Wages & Salaries		1,003.00		April wages		N-T

Total debit: \$1,003.00  
Total credit: \$1,003.00  
Tax: \$0.00  
Out of balance: \$0.00

FIGURE 3.6 – Reversal of an accrued expense

Click the **[Record and new]** button and select **'Record and create new'** from the menu. This will save the entry and remain at the same transaction entry window ready for you to record the next general journal entry.

### Prepaid expense applicable for this period

Prepaid expenses are costs that have been paid, but not consumed in that accounting period, such as rent paid in advance or the annual insurance premium. Therefore, under the matching concept they must be allocated to subsequent periods and expensed as they are consumed.

**Note:** This journal entry is normally recorded at the end of the accounting period after all transactions have been recorded for the month. We are recording the transaction in advance of other transactions for the month.

**31/05/202\_ Insurance expense applicable for May is \$446.**

This business uses the 'asset method' for recording prepayments. This means that they record the expense as an asset when paid and then the portion consumed for the period is transferred to the appropriate expense account at the end of the period. This journal entry is to record the portion of prepaid insurance consumed for the period. There is no GST involved in the transaction as the GST would have been accounted for when the annual premium was originally recorded.

Account *	Debit (\$)	Credit (\$)	Quantity	Description	Job	Tax code *
6-1500 Insurance Expenses	446.00					N-T
1-1310 Prepaid Insurance		446.00				N-T

Total debit: \$446.00  
Total credit: \$446.00  
Tax: \$0.00  
Out of balance: \$0.00

**FIGURE 3.7 – Prepaid insurance applicable for this period**

Click **[Record and new]** and **'Record and create new'** on the menu.

### Bad and Doubtful Debts

In accounting for bad debts, a business will choose one of two methods:

- (1) Allowance Method
- (2) Direct Write-off Method

With the allowance method an allowance is made and/or adjusted at the end of the accounting period for the portion of outstanding accounts receivable accounts that are estimated to be uncollectible (i.e., doubtful debts) and an adjusting entry is prepared. Throughout the year, as and when accounts are determined to be bad, they are written off against the 'Provision for Doubtful Debts' account.

With the direct write-off method, no such allowance or provision is maintained and when a customer's account is determined to be uncollectible, the amount of the bad debt is charged to expense at the time the account is determined to be uncollectible.

This business uses the 'Allowance Method' to provide for and account for bad and doubtful debts. An appropriate provision has been determined to be 2 per cent (2%) of the accounts receivable balance at the end of each period, rounded to the nearest dollar (an alternative method is to base the calculation on the GST exclusive accounts receivable balance).

**1/05/202\_     *The Provision (allowance) for Doubtful Debts was not adjusted prior to the pickup of opening balances for this business. Calculate and record the adjusting amount required to bring the figure to 2% of the opening accounts receivable balance.***

This is how you calculate the adjustment to the Provision for Doubtful Debts:

Opening Accounts Receivable Balance                     \$7,245  
 Provision for Doubtful Debts                             \$7,245 multiplied by 2% = \$144.91 rounded to the nearest dollar is \$145.

The Provision for Doubtful Debts balance as of 30 April was \$275; therefore, a decrease in the provision of \$130 is required. There is no GST involved in this transaction it is an internal adjusting entry.

At present there is no 'Bad Debts' expense account in the chart of accounts for this business. You can add a new account while recording the journal entry. *Click* on '**Create account**' at the top of the chart of accounts menu available for that field and *select* '**Expense**' as the account type. A recommended account list will display. *Select* **6-1150 Bad Debts** and *click* [Save].

Back at the general journal window this account will appear in the account field. Complete the line as shown in figure 3.8. Change the tax code for bad debts to N-T. You can only claim back or adjust the GST when you actually write an amount off as a bad debt as opposed to providing for doubtful debts.

Account *	Debit (\$)	Credit (\$)	Quantity	Description	Job	Tax code *
1-1201 Less Prov'n for Doubtful Debts	130.00					N-T
6-1150 Bad Debts		130.00				N-T
						Total debit: \$130.00
						Total credit: \$130.00
						Tax: \$0.00
						Out of balance: \$0.00

**FIGURE 3.8 – Decrease in the Provision for Doubtful Debts**

*Click* [Record and new] and '**Record and create new**' on the menu.

### Asset acquisition and disposal

This transaction involves the purchase of a new motor vehicle and the sale (trade-in) of the old motor vehicle, with the financing of this purchase by way of a business loan. This will require two separate transactions to be recorded because the radio buttons at the top of the journal entry screen only allow either a sale or a purchase to be recorded, not both in the same entry.



Click **[Record and new]** and **'Record and create new'** on the menu.

### Step 3: Transfer the profit or loss on sale

The purpose of this entry is to remove the remaining balance of the original cost of the old vehicle (\$16,900 minus the GST exclusive amount received for the trade-in \$5,000) and the accumulated depreciation on the old vehicle (\$11,940), from their respective accounts. No depreciation to the date of sale is required because the vehicle was sold at the start of the month and depreciation had been recorded up to then. The difference between the two figures is the profit or loss on the sale.

With this entry it does not matter which radio buttons are selected, because all the tax codes used are N-T meaning that there is no GST involved in the journal entry. This is an internal adjusting journal entry (an adjustment to the accounting records of this business, there are no external parties involved in this transaction) and therefore GST does not apply.

Normally, the account we would create to record the profit, would be an 'Other income' type account, but we cannot create 'other income' or 'other expenses' type accounts, due to the business structure being that of a sole trader and obviously MYOB does not think sole traders need those types of accounts. We are therefore going to create an income type account instead. You can do this while you are recording the journal entry. Create account **4-5000 Profit on sale of asset** with a tax code of N-T.

If the business had received cash for the trade-in or paid cash for the new vehicle, then one or both previous entries would have been recorded in the Banking module instead of the general journal.

Account *	Debit (\$)	Credit (\$)	Quantity	Description	Job	Tax code *
1-2320 Accum. Depn. Motor Vehicles	11,940.00					N-T
1-2310 Motor Vehicles At Cost		11,900.00				N-T
4-5000 Profit on sale of asset		40.00				N-T

Total debit: \$11,940.00  
Total credit: \$11,940.00  
Tax: \$0.00  
Out of balance: \$0.00

FIGURE 3.11 – Transfer the profit on the sale of the vehicle

Click **[Record and new]** and **'Record and create new'** on the menu.

## Depreciation

Depreciation is a journal entry that is recorded at frequent intervals, usually at the end of each month, and therefore it is one that can be set up for the current month and then saved as a recurring journal entry to speed processing of this entry each month.

### 31/5/202\_ Depreciation for the month –

- **Motor vehicles are depreciated at 25% pa using the diminishing value (reducing balance) method.**
- **Furniture & Equipment is depreciated at 15% pa using the prime cost (fixed instalment or straight line) method.**
- **Improvements are amortised (depreciated) over the life of the lease which has 10 months left before renewal.**

**Note:** Depreciation methods:

Diminishing Value (reducing balance) calculations are based on the written down value of the asset (original cost less accumulated depreciation).

Prime Cost (straight line) calculations are based on the original cost of the asset.

This is how you calculate the depreciation and amortisation:

- **Motor Vehicle Depreciation -**

The original cost of the new vehicle is \$18,090.91 (\$19,900 less GST) [as this is a new vehicle there is no accumulated depreciation on the vehicle] x 25% / 12 months = \$376.89 per month.

- **Furniture & Equipment Depreciation -**

The original cost of furniture & equipment is \$8,400 x 15% / 12 months = \$105.00 per month.

- **Improvements Depreciation –**

The balance to be amortised (depreciated) is \$5,000 - \$3,830 = \$1,170 / 10 = \$117.00 per month.

Enter the journal entry in the normal manner (see figure 3.12), but **before** you record the entry you must save it as recurring.

The screenshot shows a software window titled "Create general journal transaction". It contains the following fields and data:

- Date: 31/05/2023
- Reference number: GR000007
- Display in GST report as: Purchase (selected), Sale
- Amounts are: Tax inclusive (selected), Tax exclusive
- Description of transaction: Depreciation for the month
- Journal Entry Table:

Account *	Debit (\$)	Credit (\$)	Quantity	Description	Job	Tax code *
6-1250 Depreciation Expenses	598.89					N-T
1-2120 Accum. Depr. Furniture & Equipment		105.00				N-T
1-2220 Accum. Depr. Improvements		117.00				N-T
1-2320 Accum. Depr. Motor Vehicles		376.89				N-T

Summary:

- Total debit: 598.89
- Total credit: 598.89
- Tax: 0.00
- Out of balance: 0.00

Buttons at the bottom: Save as recurring (circled), Prefill from recurring, Cancel, Record and new, Record.

**FIGURE 3.12 – Depreciation for the month**

The instructions that follow are to show you how to record a recurring entry, but unfortunately it may not work for us, but we will see.

To save the entry as a recurring one *click* [Save as Recurring] at the bottom left of the window. The window shown in figure 3.13 will then appear. The depreciation is to be recorded at the end of each month from now on, so make the following selections.

- Schedule name: **Monthly Depreciation**
- Frequency: **Monthly**
- Starting: **30/06/202\_**
- Continue indefinitely.**

**FIGURE 3.13 – Recurring Template**

Click [Save].

If your starting date year is earlier than your computer system date MYOB will not let you save it as a recurring transaction and you will unfortunately have to manually record the transaction each month. If it did not work for you (you got an error message) do not be disappointed, you can record the entry manually in June. At least you learned how to setup a recurring transaction.

Back at the Journal entry window *click* [Record]. Then return to the Dashboard.

## Understanding GST

The appendix contains an overview of the history of Goods & Services Tax (GST), how it is applied, and the various tax codes that are used. The purpose of this section is to cover in some detail how MYOB records GST and how you need to tell MYOB what you want it to do. It is a great program, but it does need your assistance at times.

In the journal entries you have just completed, you should have noticed that there were times when you needed to include a tax code other than N-T, and when you needed to make sure that the Tax Inclusive radio button was selected, and other times when you did not. Here are some broad guidelines to help you understand GST:

- GST at the rate of 10% applies to the provision of goods or services within Australia, with some exceptions. It does not apply when goods are exported from Australia.
- If the transaction involves parties external to the business, then the transaction will probably include GST, such as in the transaction involving the purchase of the new motor vehicle.
- If the transaction is simply transferring an amount from one account to another, such as in the transfer of prepaid insurance, then that is an internal transaction and GST does not apply.
- Any transaction that involves the payment of wages or salaries to employees, or the payment of superannuation or other benefits on their behalf, is excluded from the Goods & Services Tax.
- The terminologies ‘inclusive’ and ‘exclusive’ are ones that you need to understand. Inclusive means that the figure shown includes GST. Exclusive means that the figure shown does not include GST and GST is to be added to it. In both cases the total value of the invoice will be the same; it is simply letting you and MYOB know how to record the transaction.

To demonstrate the reasons for the tax code and the radio buttons the next series of figures using the transaction below, will show what happens when one or both are missing.

**Note:** These transactions are for demonstration purposes only – **DO NOT** record any of them in the *Carry On Camping* data file.

**On January 7, the business purchased some stationery from Officeworks. The cost was \$172.50 including GST, and this was paid for with cheque #188.**

**Create spend money transaction**

Bank account \*  
1-1110 Business Bank Account

Reference number \* 188

Date \* 07/01/2023

Contact (payee)

Report to ATO via TFAR

Description of transaction  
Officeworks

Amounts are  Tax inclusive  
 Tax exclusive

Account *	Amount (\$) *	Quantity	Description	Job	Tax code *
6-4280 Postage & Stationery	172.50		Stationery		N-T

Subtotal \$172.50  
Tax \$0.00  
Total \$172.50

Save as recurring Prefill from recurring Cancel Record and new Record

**FIGURE 3.14 – Tax inclusive and incorrect tax code**

No tax is shown because although you have selected the radio button to tell MYOB that the transaction includes GST, the tax code used tells MYOB otherwise.

**Create spend money transaction**

Bank account \*  
1-1110 Business Bank Account

Reference number \* 188

Date \* 07/01/2023

Contact (payee)

Report to ATO via TFAR

Description of transaction  
Officeworks

Amounts are  Tax inclusive  
 Tax exclusive

Account *	Amount (\$) *	Quantity	Description	Job	Tax code *
6-4280 Postage & Stationery	172.50		Stationery		GST

Subtotal \$172.50  
Tax \$17.25  
Total \$189.75

Save as recurring Prefill from recurring Cancel Record and new Record

**FIGURE 3.15 – Radio button says tax exclusive**

Tax code is correct, and tax is shown in the total amount, but the transaction said the amount of \$172.50 was tax inclusive. By selecting the tax exclusive radio button, you are telling MYOB to add GST to the amount.

**FIGURE 3.16 – Correct radio button and tax code**

The correct amount of GST is included in the transaction because you have selected the correct radio button and included a tax code that tells MYOB that the transaction figure of \$172.50 includes GST.

This demonstrates the importance of the tax code, and although most of the expense accounts in this software do have a tax code, you should always check the tax code field before recording the transaction to make sure it is the correct tax code. Selecting either radio button without changing the tax code from N-T to GST will not achieve the desired result.

## Reports

### *Profit and loss*

Click **Reporting** on the Menu bar and then select **Reports** on the menu.

Select **Business** and then **Profit and loss** by *clicking* on the report name.

Date range: **1/05/202\_ to 31/05/202\_**  
 Breakdown: **Total**  
 Accounting method: **Accrual**  
 Compare to: Do not select any of the options.  
 Account levels: **Level 1**

Click the refresh icon if the report has not automatically refreshed itself. The 'Reset' is also useful.

This is the minimum level of reporting, and as you can see very little information is displayed.

	Total
4-0000 Income	\$238,770.00
5-0000 Cost Of Sales	\$102,560.00
<b>Gross Profit</b>	<b>\$136,210.00</b>
6-0000 Expenses	\$113,011.89
<b>Operating Profit</b>	<b>\$23,198.11</b>
<b>Net Profit</b>	<b>\$23,198.11</b>

**FIGURE 3.17 – Profit and loss report – Level 1**

Check out the 'Report options' the 'Graph symbol' (the line with the squiggle on it) and the [Export] button.

Exported to PDF and using the default, you will get the report shown in figure 3.18.

Carry On Camping  
1800 Albany Highway  
Maddington WA 6109  
9459 1999

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**Profit and loss report**  
Accrual mode  
01 May 2023 - 31 May 2023

	Total
4-0000 Income	238,770.00
5-0000 Cost Of Sales	102,560.00
Gross Profit	136,210.00
6-0000 Expenses	113,011.89
Operating Profit	23,198.11
Net Profit	23,198.11

FIGURE 3.18 – Profit & loss report – Level 1

### **Balance Sheet**

Click **Back to reports** and *select* **Balance sheet**.

Filter the report to show the report as of **31/05/202\_**, on the **Accrual** basis and as a **Level 4** report.

**Note:** If your balance sheet report does not include all the indentations and subtotals as shown below, then you need to go back to your chart of accounts and move accounts up or down or tick the box to tell the header account to generate a subtotal when reporting.

The report displayed in figure 3.19 is the PDF report modified to display as one page instead of two.

## Balance sheet report

Accrual mode  
 31 May 2023

	Total
<b>1-0000 Assets</b>	
<b>1-1000 Current Assets</b>	
<b>1-1100 Bank Accounts</b>	
1-1110 Business Bank Account	33,615.00
1-1120 Business Investment Account	5,000.00
1-1121 Petty Cash/Cash on Hand	100.00
<b>Total Bank Accounts</b>	<b>38,715.00</b>
1-1200 Accounts Receivable	7,245.00
1-1201 Less Prov'n for Doubtful Debts	(145.00)
1-1300 Inventory	10,700.00
1-1310 Prepaid Insurance	444.00
<b>Total Current Assets</b>	<b>56,959.00</b>
<b>1-2000 Non Current Assets</b>	
<b>1-2100 Furniture &amp; Equipment</b>	
1-2110 Furniture & Equipment At Cost	8,400.00
1-2120 Accum. Depr. Furniture & Equipment	(4,515.00)
<b>Total Furniture &amp; Equipment</b>	<b>3,885.00</b>
<b>1-2200 Improvements</b>	
1-2210 Improvements At Cost	5,000.00
1-2220 Accum. Depr. Improvements	(3,947.00)
<b>Total Improvements</b>	<b>1,053.00</b>
<b>1-2300 Motor Vehicles</b>	
1-2310 Motor Vehicles At Cost	18,090.91
1-2320 Accum. Depr. Motor Vehicles	(376.89)
<b>Total Motor Vehicles</b>	<b>17,714.02</b>
<b>Total Non Current Assets</b>	<b>22,652.02</b>
<b>Total Assets</b>	<b>79,611.02</b>
<b>2-0000 Liabilities</b>	
<b>2-0010 Current Liabilities</b>	
<b>2-1100 Credit Cards</b>	
2-1110 Visa	1,465.00
<b>Total Credit Cards</b>	<b>1,465.00</b>
2-1140 Accounts Payable	5,340.00
<b>2-1211 GST Liabilities</b>	
2-1212 GST	2,300.91
<b>Total GST Liabilities</b>	<b>2,300.91</b>
2-1350 PAYG Withholding Payable	2,635.00
2-1355 Superannuation Payable	477.00
<b>Total Current Liabilities</b>	<b>12,217.91</b>
<b>2-2000 Non Current Liabilities</b>	
2-2105 Business Loan	14,400.00
<b>Total Non Current Liabilities</b>	<b>14,400.00</b>
<b>Total Liabilities</b>	<b>26,617.91</b>
<b>Net Assets</b>	<b>52,993.11</b>
<b>3-0000 Equity</b>	
3-1000 Owner's Capital	52,495.00
3-2000 Owner's Drawings	(22,700.00)
3-9000 Current Year Profit/(Loss)	23,198.11
<b>Total Equity</b>	<b>52,993.11</b>

FIGURE 3.19 – Balance Sheet – Level 4

The report levels feature allows you to produce reports that range from the minimum amount of detail (level 1) to the greatest amount of detail (level 4).

### Trial Balance

Click **Back to reports** and then *select Trial Balance*. Filter the report to show as at **May 202\_**.

Carry On Camping 1800 Albany Highway Maddington WA 6109 9459 1999					
<b>Trial balance report</b>					
May 2023					
Account no	Account name	Debit (\$)	Credit (\$)	YTD Debit (\$)	YTD Credit (\$)
1-1110	Business Bank Account	0.00		33,615.00	
1-1120	Business Investment Account	0.00		5,000.00	
1-1121	Petty Cash/Cash on Hand	0.00		100.00	
1-1200	Accounts Receivable	0.00		7,245.00	
1-1201	Less Prov'n for Doubtful Debts	130.00			145.00
1-1300	Inventory	0.00		10,700.00	
1-1310	Prepaid Insurance		446.00	444.00	
1-2110	Furniture & Equipment At Cost	0.00		8,400.00	
1-2120	Accum. Depr. Furniture & Equipment		105.00		4,515.00
1-2210	Improvements At Cost	0.00		5,000.00	
1-2220	Accum. Depr. Improvements		117.00		3,947.00
1-2310	Motor Vehicles At Cost	1,190.91		18,090.91	
1-2320	Accum. Depr. Motor Vehicles	11,563.11			376.89
2-1110	Visa		0.00		1,465.00
2-1140	Accounts Payable		0.00		5,340.00
2-1212	GST	1,309.09			2,300.91
2-1350	PAYG Withholding Payable		0.00		2,635.00
2-1355	Superannuation Payable		0.00		477.00
2-1360	Wages & Salaries Payable	1,003.00			0.00
2-2105	Business Loan		14,400.00		14,400.00
3-1000	Owner's Capital		0.00		52,495.00
3-2000	Owner's Drawings		0.00	22,700.00	
4-1400	Sales Tents	0.00			108,900.00
4-1500	Sales Sleeping Equipment	0.00			16,800.00
4-1600	Sales Kitchen Equipment	0.00			48,750.00
4-1700	Sales Other	0.00			58,780.00
4-2100	Service Income		0.00		3,000.00
4-2200	Freight Income		0.00		1,300.00
4-2300	Discount Received		0.00		300.00
4-5000	Profit on sale of asset		40.00		40.00
5-1400	Cost of Sales Tents	0.00		38,400.00	
5-1500	Cost of Sales Sleeping Equipment	0.00		8,160.00	
5-1600	Cost of Sales Kitchen Equipment	0.00		26,400.00	
5-1700	Cost of Sales Other	0.00		28,800.00	
5-2000	Freight Costs	0.00		550.00	
5-3000	Discount Allowed	0.00		250.00	
6-1110	Accounting & Bookkeeping	0.00		900.00	
6-1120	Advertising & Marketing	0.00		4,500.00	
6-1150	Bad Debts		130.00		130.00
6-1160	Bank Fees & Charges	0.00		200.00	
6-1250	Depreciation Expenses	598.89		3,968.89	
6-1300	Electricity Expenses	0.00		1,775.00	
6-1500	Insurance Expenses	446.00		4,896.00	
6-1700	Motor Vehicle Expenses	0.00		4,200.00	
6-4100	Payroll - Wages & Salaries		1,003.00	52,919.00	
6-4200	Payroll- Superannuation	0.00		5,123.00	
6-4280	Postage & Stationery	0.00		370.00	
6-4300	Rent Expense	0.00		30,000.00	
6-4320	Repairs & Maintenance	0.00		1,160.00	
6-4400	Staff Amenities	0.00		210.00	
6-4460	Telephone & Internet	0.00		2,920.00	
<b>Grand total</b>		<b>16,241.00</b>	<b>16,241.00</b>	<b>326,996.80</b>	<b>326,996.80</b>
<b>Net profit</b>			<b>128.11</b>		<b>23,198.11</b>

FIGURE 3.20 – Carry On Camping Trial Balance for May

## General Journal Transaction Report

Click **Back to reports** and *select* **Journal entries**.

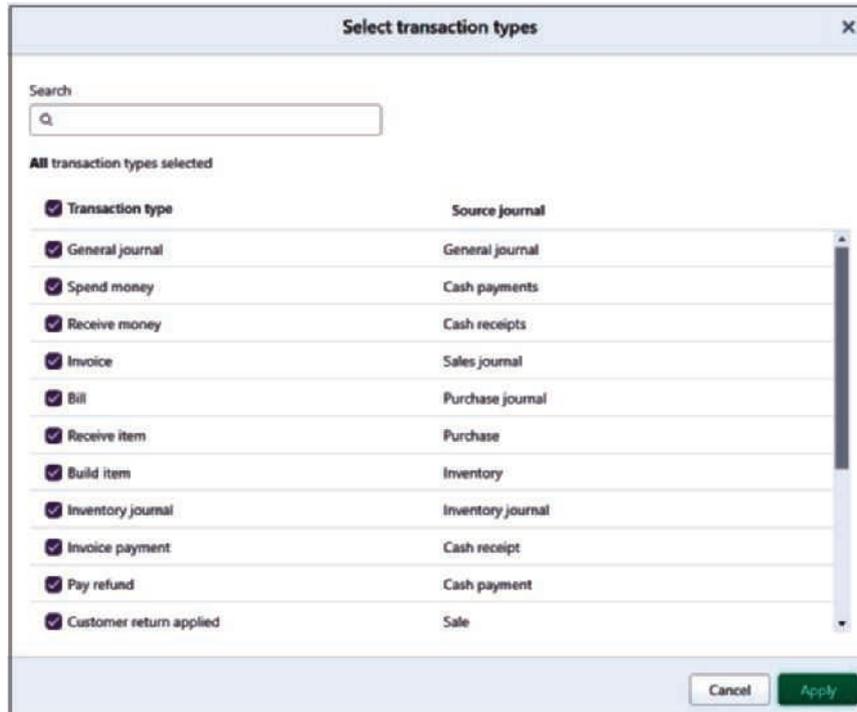
Filter the report to be dated from **1/05/202\_** to **31/05/202\_**

On the menu available for [Transaction type] remove all the ticks and then *select* **General journal**. Click **[Apply]** and then **'Expand all'**. Scroll down and check your entries against those shown in figure 3.21.

Carry On Camping 1800 Albany Highway Maddington WA 6109 9459 1999				
<b>Journal entries report</b>				
01 May 2023 - 31 May 2023				
<b>Transaction type</b>	<b>Issue date</b>	<b>Description</b>	<b>Debit (\$)</b>	<b>Credit (\$)</b>
<b>General journal</b>	01/05/2023	<b>Reverse wages accrued in April</b>		
<b>Ref no</b>	<b>Account number</b>	<b>Account name</b>	<b>Debit (\$)</b>	<b>Credit (\$)</b>
GJ000001	2-1360	Wages & Salaries Payable	1,003.00	
GJ000001	6-4100	Payroll - Wages & Salaries		1,003.00
<b>Total amount</b>			<b>1,003.00</b>	<b>1,003.00</b>
<b>General journal</b>	01/05/2023	<b>Adjustment to provision for doubtful debts</b>		
<b>Ref no</b>	<b>Account number</b>	<b>Account name</b>	<b>Debit (\$)</b>	<b>Credit (\$)</b>
GJ000003	1-1201	Less Prov'n for Doubtful Debts	130.00	
GJ000003	6-1150	Bad Debts		130.00
<b>Total amount</b>			<b>130.00</b>	<b>130.00</b>
<b>General journal</b>	01/05/2023	<b>Purchase new motor vehicle</b>		
<b>Ref no</b>	<b>Account number</b>	<b>Account name</b>	<b>Debit (\$)</b>	<b>Credit (\$)</b>
GJ000004	1-2310	Motor Vehicles At Cost	18,090.91	
GJ000004	2-2105	Business Loan		19,900.00
GJ000004	2-1212	GST	1,809.09	
<b>Total amount</b>			<b>19,900.00</b>	<b>19,900.00</b>
<b>General journal</b>	01/05/2023	<b>Trade-in of old motor vehicle</b>		
<b>Ref no</b>	<b>Account number</b>	<b>Account name</b>	<b>Debit (\$)</b>	<b>Credit (\$)</b>
GJ000005	2-2105	Business Loan	5,500.00	
GJ000005	1-2310	Motor Vehicles At Cost		5,000.00
GJ000005	2-1212	GST		500.00
<b>Total amount</b>			<b>5,500.00</b>	<b>5,500.00</b>
<b>General journal</b>	01/05/2023	<b>Transfer profit on sale of old motor vehicle</b>		
<b>Ref no</b>	<b>Account number</b>	<b>Account name</b>	<b>Debit (\$)</b>	<b>Credit (\$)</b>
GJ000006	1-2320	Accum. Depr. Motor Vehicles	11,940.00	
GJ000006	1-2310	Motor Vehicles At Cost		11,900.00
GJ000006	4-5000	Profit on sale of asset		40.00
<b>Total amount</b>			<b>11,940.00</b>	<b>11,940.00</b>
<b>General journal</b>	31/05/2023	<b>Insurance expense applicable for May</b>		
<b>Ref no</b>	<b>Account number</b>	<b>Account name</b>	<b>Debit (\$)</b>	<b>Credit (\$)</b>
GJ000002	6-1500	Insurance Expenses	446.00	
GJ000002	1-1310	Prepaid Insurance		446.00
<b>Total amount</b>			<b>446.00</b>	<b>446.00</b>
<b>General journal</b>	31/05/2023	<b>Depreciation for the month</b>		
<b>Ref no</b>	<b>Account number</b>	<b>Account name</b>	<b>Debit (\$)</b>	<b>Credit (\$)</b>
GJ000007	6-1250	Depreciation Expenses	598.89	
GJ000007	1-2120	Accum. Depr. Furniture & Equipment		105.00
GJ000007	1-2220	Accum. Depr. Improvements		117.00
GJ000007	1-2320	Accum. Depr. Motor Vehicles		376.89
<b>Total amount</b>			<b>598.89</b>	<b>598.89</b>

FIGURE 3.21 – General Journal Entries

You may be required to display, print, or export a report on all journal entries. To do that you use the same procedure as detailed above, but this time you tick the 'Transaction type' box, as shown in figure 3.22, and all the transaction types will be selected for you. If you scroll down, you will see that there are lots of them.



**FIGURE 3.22 - Transaction Journals – All transaction types**

Click [Apply].

**Note:** You will be using this *Carry On Camping* data file throughout the remainder of the chapters, updating and building on to it in each chapter. Make sure you have completed each chapter and that your reports are correct, before continuing to the next chapter as the dates in each chapter range from the beginning to the end of the month and fit between previously recorded transactions.

## REVISION EXERCISE

Use the data file you created for Creative Cards Pty Ltd for the revision exercise for chapter 2.

### Transactions for November 202\_

- 30/11/202\_ Calculate and record depreciation for the period 1/07/202\_ to 30/11/202\_, rounded to the nearest dollar (50c round up), using the following methods:
- Office Equipment – 15% prime cost (straight line) per annum.
  - Motor Vehicle (old vehicle to date of sale) – 25% diminishing value (reducing balance) per annum.
- 30/11/202\_ The proprietors used the old vehicle which originally cost \$5,000, as a trade-in on a new vehicle. The new vehicle cost \$27,995, and the trade-in value was \$3,995 (both figures include GST). The bank provided finance by way of a business loan (\$24,000) and this was paid directly into the bank account of the motor vehicle dealership.

**Note:** When you go to create an account to post the profit to, MYOB will display a list of accounts to select from. *Select* account number **8-1040 Profit/(Loss) on sale of assets**. Because the structure of this business is that of a company you can setup other income and other expense type accounts.

- 30/11/202\_ Prepaid expenses applicable for the month are:
- Advertising & Marketing - \$120
  - Insurance - \$175
- 30/11/202\_ Wages to be accrued for November are \$1,000.

Creative Cards Pty Ltd 17 Simpson Road Adelaide SA 5000 8294 3680					
<b>Trial balance report</b>					
Nov 2022					
Account no	Account name	Debit (\$)	Credit (\$)	YTD Debit (\$)	YTD Credit (\$)
1-1110	BOQ Cheque Account	0.00		6,000.00	
1-1200	Accounts Receivable	0.00		8,000.00	
1-1300	Stock on hand	0.00		5,000.00	
1-1350	Prepaid Expenses		295.00	1,705.00	
1-2110	Office Equipment @ Cost	0.00		7,000.00	
1-2120	Accum. Depr. Office Equipment		438.00		1,438.00
1-2510	Motor Vehicles @ Cost	20,450.00		25,450.00	
1-2520	Accum. Depr Motor Vehicles	2,200.00		0.00	
2-1140	Accounts Payable		0.00		4,000.00
2-1212	GST Balance	2,181.82		1,781.82	
2-1360	Wages & Salaries Payable		1,000.00		1,000.00
2-2105	Business Loan #1		24,000.00		24,000.00
3-1000	Share Capital		0.00		100.00
3-8000	Retained Earnings		0.00		20,500.00
4-1400	Sales		0.00		20,000.00
4-1500	Discounts Received		0.00		100.00
5-1000	Opening Stock/Inventory	0.00		4,000.00	
5-2000	Purchases	0.00		9,000.00	
5-3000	Closing Stock/Inventory	0.00			5,000.00
5-4000	Discounts Given	0.00		200.00	
6-1120	Advertising & Marketing	120.00		520.00	
6-1160	Bank Fees	0.00		100.00	
6-1300	Depreciation	730.00		730.00	
6-1550	Insurance	175.00		775.00	
6-1700	Motor Vehicle Expenses	0.00		1,700.00	
6-4100	Payroll - Wages & Salaries	1,000.00		5,000.00	
6-4460	Telephone & Internet	0.00		300.00	
8-1040	Profit/(Loss) on sale of assets		1,123.82		1,123.82
<b>Grand total</b>		<b>26,856.82</b>	<b>26,856.82</b>	<b>77,261.82</b>	<b>77,261.82</b>

FIGURE 3.23 – Trial balance for November

## CHAPTER 4 - PURCHASES (ACCOUNTS PAYABLE)

In this chapter you will learn how to set up suppliers, enter amounts owing to them at the start date, and then record purchase transactions and payments to suppliers. You will also learn about purchase orders, bills, inventory items, and prompt payment discounts.

The business buys, sells, and repairs camping equipment. The owner maintains a periodic inventory because it is easy to do a quick count of inventory when necessary and establish a value for the inventory on hand. The inventory figure included in the opening trial balance was determined on that basis.

To open the Carry On Camping data file select it from the list displayed in 'My businesses' when you either 'Switch business' or log into the MYOB app.

### Set up Suppliers and Enter Opening Balances

Suppliers can be setup while creating a bill, but it is easier to setup the existing suppliers in table 4.1 this way. At the Dashboard, *select* **Contacts** and **Create contact** on the menu.

#### Suppliers

<i>Contact type</i>	Supplier	Supplier	Supplier
<i>Designation</i>	Company	Company	Company
<i>Company name</i>	Ozzie Trailblazers	Engel Aust Pty Ltd	Garmin & Co Australia
<i>ABN</i>	70 311 511 711	09 229 339 449	66 111 777 000
<i>Address</i>	76 Stone Street Croydon VIC 3136	53 Harris Street Brookvale NSW 2100	92 Collins Street West Perth WA 6005
<i>Phone</i>	(03) 3776 1999	(02) 9276 3300	9321 7581

**TABLE 4.1 – Supplier card information**

Ignore warnings that the ABN is invalid. All the ABNs used in these exercises are not genuine ones. However, in business it is sometimes necessary to check out an ABN to see if it is genuine i.e., belongs to that supplier, and whether they are registered for GST. A very handy feature available here allows you to look up an ABN from this window. The link takes you to the ABR (Australian Business Register) website.

You are only required to setup the details and billing address for suppliers. Adding a shipping address is important if it is different from the billing address. If it is the same as the billing address simply tick the box,  Same as billing address.

Check your screen against figure 4.1 before *clicking* [Save] and setting up the other two suppliers.

FIGURE 4.1 – Create supplier contact

When you have finished creating the suppliers you should have a list of contacts that looks the same as figure 4.2.

Name	Contact ID	Type	Phone number	Email	Balance due (\$)	Overdue (\$)
Engel Aust Pty Ltd	*None	Supplier	(02) 9276 3300		0.00	0.00
Garmin & Co Australia	*None	Supplier	9321 7581		0.00	0.00
Ozzie Trailblazers	*None	Supplier	(03) 3776 1999		0.00	0.00

FIGURE 4.2 – Contacts

Go to the **Purchases** menu and *select* **Create bill**.

### Supplier Historical Purchases

<i>Name</i>	Ozzie Trailblazers	Garmin & Co Australia
<i>Bill No. (PO No.)</i>	1993	1990
<i>Supplier invoice no.</i>	27366	12480
<i>Issue date</i>	29/04/202_	22/04/202_
<i>Amount including tax</i>	\$3,535	\$1,805

TABLE 4.2 – Supplier historical purchase information

This is how to record the historical purchases:

Supplier: **Ozzie Trailblazers**  
Bill number: **1993** (This is the business's purchase order number)  
Supplier invoice no: **27366**

The 'Create bill' window in MYOB software is shown. It features a header 'Create bill' and a sub-header 'Prefill from a source document'. The main area contains several input fields: 'Supplier\*' (Ozzie Trailblazers), 'Bill number\*' (1993), 'Supplier invoice number' (27366), 'Issue date\*' (14/02/2023), and 'Due date\*' (30/03/2023). There are also checkboxes for 'ABN invalid' (checked), 'No open purchase orders', and 'Report to ATO via TPFR'. A 'Billing address' section shows '76 Stone Street, Croydon VIC 3136, Australia'. Below this is a table with columns: Item ID, Description, Account \*, No of units, Unit price, Discount (%), Amount (\$) \*, Job, and Tax code \*. The table is currently empty. A 'Notes' field is also present. On the right side, there is a summary section with the following values: Subtotal (\$0.00), Freight (\$) (0.00) GST, Tax (\$0.00), Total (\$0.00), Amount paid (\$) (0.00), and Balance due (\$0.00). At the bottom, there are buttons for 'View PDF', 'Save as recurring', 'Prefill from recurring', 'Cancel', 'Save and...', and 'Save'.

FIGURE 4.3 – Create bill

The issue date currently displayed will be your computer system date. Rather annoyingly the system date will always display when you go to record a transaction, therefore you need to be very careful and make sure you have entered the correct date for the transaction.

When you enter the issue date of **29/04/202**\_ the window shown in figure 4.4 will appear because that date is before the opening balance month.

The dialog box is titled 'Convert to historical bill?'. It contains the following text: 'Bill dated before your opening balance month will not automatically update account balances. Remember to include the bill amount in the respective account's opening balance.' Below this, it says 'Opening balance month: May 2023'. At the bottom, there are two buttons: 'Cancel' and 'Convert'.

FIGURE 4.4 – Convert to historical bill?

Click **[Convert]** and you will be taken back to a different looking 'Create bill' window. Enter the amount and tax code as shown in figure 4.5. Click on the 'Due date' field and select 'In a given no. of days', enter **30** as the number of days.

The account to which this is posted (accounts payable) will be completed by MYOB when you save.

**FIGURE 4.5 – Create historical bill**

Click [Save], then [Go back] at the next window to return to the ‘Bills’ window where you can create the next historical bill. The ‘Bills’ window should then look the same as figure 4.6 and the balance due amount of \$5,340.00 agrees with the opening balance figure entered in the accounts payable account.

**FIGURE 4.6 – Historical bills**

## Set up Inventory Items

It may sound a little bit confusing, but you are about to set up some inventory items, even though the business does not maintain a perpetual inventory of them. When you are buying or selling items based on quantity x rate then you must set up inventory items even if you are using a periodic inventory system. Listed in table 4.3 are some of the items that this business buys and sells.

Name	Bungalow Tent	Hiker Tent	Sleeping Bag
Description	OZtrail Bungalow 9-person tent	OZtrail Hiker 2-person tent	Black Wolf Campsite Sleeping Bag
Item ID	OZB9P	OZHK2	BWCSB
I Buy & I Sell this item	✓✓	✓✓	✓✓
Selling price (Excl GST)	\$480	\$120	\$130
Income account for tracking sales	4-1400	4-1400	4-1500
Expense account for tracking purchases	5-1400	5-1400	5-1500
Unit of measure (Buying & Selling)	Each	Each	Each
Tax code when bought & sold	GST	GST	GST

**TABLE 4.3 – Inventory items information**

Click on the **Inventory** menu and **Create item**, and set up the inventory item as follows:

## Details

Name: **Bungalow Tent**  
Description: **OZtrail Bungalow 9-person tent**  
Use item description on sale and purchases:   
Item ID: **OZB9P**

## Inventory

Do not activate this section, it will be covered in the chapter on inventory.

Figures 4.7 to 4.9 are all part of the same data entry window.

The screenshot shows the 'Create item' window with the 'Details' tab selected. The 'Name' field is 'Bungalow Tent', 'Description' is 'OZtrail Bungalow 9-person tent', and 'Item ID' is 'OZB9P'. The 'Use item description on sales and purchases' checkbox is checked. The 'Inventory' section has 'I track stock for this item' unchecked and 'Asset account for tracking inventory' set to a dropdown menu.

FIGURE 4.7 - Item Details

## Selling

I sell this item:   
Selling price: **480**  
**● Tax exclusive**  
Unit of measure: **Each**  
Income account for tracking sales: **4-1400 Sales Tents**  
Tax code: **GST**

The screenshot shows the 'Create item' window with the 'Selling' tab selected. The 'I sell this item' checkbox is checked. The 'Selling price (\$)' field contains '480.00'. The 'Selling price is' radio buttons have 'Tax exclusive' selected. The 'Unit of measure' is 'Each', 'Income account for tracking sales' is '4-1400 Sales Tents', and 'Tax code' is 'GST'.

FIGURE 4.8 - Selling Details

## Buying

I buy this item:   
Buying price: Leave blank.  
**● Tax exclusive**  
Unit of measure: **Each**  
Expense account for tracking purchases: **5-1400 Cost of Sales Tents**  
Tax code: **GST**

## Restocking information

This section will be covered in the chapter on inventory.

The screenshot shows a 'Create item' form with two main sections: 'Buying' and 'Restocking information'.  
**Buying section:**  
 I buy this item  
 Buying price (\$) [text input]  
 Buying price is  Tax inclusive  Tax exclusive  
 Unit of measure [dropdown: Each]  
 Expense account for tracking purchases \* [dropdown: 5-1400 Cost of Sales Tents]  
 Tax code \* [dropdown: GST]  
 Supplier item ID [text input]  
**Restocking information section:**  
 Minimum stock level [text input: 0]  
 Primary supplier for reorders [dropdown]  
 Default reorder quantity (per buying unit) [text input: 0]  
 At the bottom right are buttons for 'Cancel', 'Save and...' (with a dropdown arrow), and 'Save'.

FIGURE 4.9 - Buying Details

Click **[Save and create new]** and create the other items in tables 4.3 and 4.4.

Name	Fridge-Freezer	Stove	Smartwatch
Description	Engel Eclipse Fridge-Freezer	OZtrail double burner stove	Garmin Fenix 6 Smartwatch
Item ID	ENEFF	OZDS2	GFEN6
I Buy & I Sell this item	✓✓	✓✓	✓✓
Selling price (Excl GST)	\$970	\$140	\$990
Income account for tracking sales	4-1600	4-1600	4-1700
Expense account for tracking purchases	5-1600	5-1600	5-1700
Unit of measure (Buying & Selling)	Each	Each	Each
Tax code when bought & sold	GST	GST	GST

TABLE 4.4 – Inventory items information

The screenshot shows an 'Items' list interface. At the top right is a 'Create item' button. Below it are filters for 'Item type' (set to 'All'), a search box with 'Q', and a 'Show inactive' checkbox. A 'Reset' button is on the right. The main table lists items with columns for Item ID, Name, On hand, Current value (\$), Selling price (\$), and Tax.

Item ID	Name	On hand	Current value (\$)	Selling price (\$)	Tax
BWCSB	Sleeping Bag			130.00	Excluded
ENEFF	Fridge-Freezer			970.00	Excluded
GFEN6	Smartwatch			990.00	Excluded
OZB9P	Bungalow Tent			480.00	Excluded
OZDS2	Stove			140.00	Excluded
OZHK2	Hiker Tent			120.00	Excluded

FIGURE 4.10 - Completed Items List

Click **Dashboard**.

Checkout **Items** on the Sales and Purchases menus and you will see these items are listed there for easy access.

## Purchase Transactions

All credit transactions (those that do not require immediate payment) with suppliers and payment of their bills are entered via the Purchases menu. This is also used where the cash purchase of items is

recorded, because the items layout is not available in the Banking menu. The credit purchases equate to the Purchases Journal, and the payment of suppliers would appear in the Cash Payments Journal in a manual accounting system.

## Purchase Order

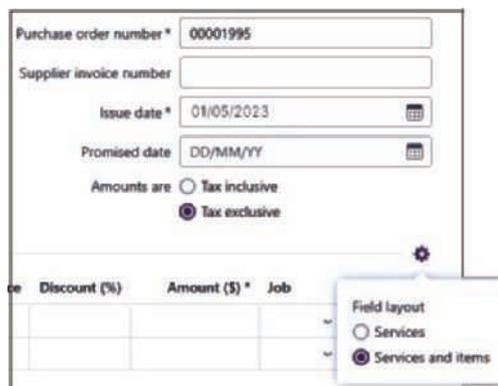
Purchase orders are sent to suppliers as an official record of a request for the supply of goods or services. When purchase orders are recorded in MYOB, they have no immediate effect on any account because the goods have not yet been delivered and therefore there is no liability to pay.

**1/05/202\_      Ordered 4 ENEFF Eclipse fridge-freezers at \$530 each (excluding GST) from Engel Aust Pty Ltd on our purchase order no. 1995.**

To record this purchase order, select the **Purchases** menu and **Create purchase order** on the menu.

- Supplier:                    **Engel Aust Pty Ltd** (Start typing the name and MYOB will display a list of suppliers starting with that letter, or you can use the menu available for the field).
- Purchase order no.:      **1995** [Tab] (If the number appears with 4 zeros in front, just change the last digit. If you type it in and there are no zeros, that is also OK)
- Supplier invoice no.:    Leave blank. [Tab] (This is an order you have not received the goods or the bill)
- Issue date:                **1/05/202\_** [Tab]. (If a message about the date appears, check the accuracy of the date you have just entered)
- Promised date:            Leave blank. [Tab]. (If delivery has been promised for a certain date, inserting it here serves as a reminder to the supplier)
- Amounts are:              **Tax exclusive.** [Tab]

You should now be at what looks like a purple star. *Click* on it and the menu shown in figure 4.11 will appear. If you need to change the layout of an order, bill, or invoice, this is where you make the selection. Services and items is the correct layout for this order.



**FIGURE 4.11 – Field layout**

Item ID:                    **ENEFF** [Tab]

**Tip:** If you do not know the item number, use the menu alongside the field. Alternatively, you can start typing the name of the item and MYOB will display it on the menu for you to select.

Description:              This will fill automatically from the details on the item card. Additional information can be added if required. [Tab]

Account:                    This also fills automatically from the details on the item card.

No of units:                **4** [Tab]

Unit price:                 **530** [Tab] and the remained of the line will be completed by MYOB.

[Tab] to or *click* on the next line if there are additional items being ordered.

Notes:                      Leave blank, but this can be used to make some comment about how the goods should be shipped.

Check your screen against figure 4.12 before you record the transaction.

Item ID	Description	Account *	No of units	Unit price	Discount (%)	Amount (\$)	Job	Tax code *
ENRF	Engel Eclipse Fridge-Freezer	5-1600 Cost of S.	4	530.00	0.00	2,120.00		GST

Subtotal: \$2,120.00  
 Freight (\$): 0.00 (GST)  
 Tax: \$212.00  
 Total: \$2,332.00  
 Amount paid (\$): 0.00  
 Balance due: \$2,332.00

FIGURE 4.12 - Item Purchase Order

Click [Save] then [Cancel].

### Service Bill (New Supplier)

The layout for a service bill is different because there is no requirement to calculate quantity x price. Examples of service bills are those received from electricity and telephone companies and the one used in this transaction.

**1/05/202\_ Received invoice no. 435/5 from Commercial Realty of 49 Cecil Ave, Cannington, WA 6107 (ABN 69 070 337 733) for the May rent. The total amount of the bill is \$3,850 including GST. Terms are net 7 days.**

Select **Create bill** on the Purchases menu.

Supplier: Type **Commercial Realty** in this field and as you type a blank menu will display, click **Create supplier**.

Complete the card for this new supplier from the information provided.

**Note:** MYOB may try to help you complete the billing address by displaying a list of similar addresses, which are not necessarily the address you want. Keep typing.

Change the layout to **services**.

Unfortunately, there is no place on the supplier card to record the credit terms.

Bill no.: Accept the next number provided by MYOB.  
 Supplier invoice no.: **435/5**  
 Issue date: **1/05/202\_**  
 Due date: Use the menu alongside this field to **select 'In a given no. of days'**, and **type 7** in the **'days after the issue date'** field. MYOB will then work out the date for you.  
 Amounts are: **© Tax inclusive.**  
 Description: **Rent for May.**  
 Account: **6-4300 Rent Expense.**  
 Amount: **3850**  
 Tax code: **GST**

**Create bill**

Prefill from a source document

Supplier\*  
Commercial Realty   
No open purchase orders

Billing address  
49 Cecil Ave  
Cannington WA 6107  
Australia  
 Report to ATO via TPAR

Bill number\* 00001896  
Supplier invoice number 435/5  
Issue date\* 01/05/2023  
Due date\* 08/05/2023  
Amounts are  Tax inclusive  
 Tax exclusive

Description	Account *	Amount (\$)	Job	Tax code *
Rent for May	6-4300 Rent Expense	3,850.00		GST

Notes

Subtotal \$3,850.00  
Freight (\$) 0.00 GST  
Tax \$350.00  
Total \$3,850.00  
Amount paid (\$) 0.00  
Balance due \$3,850.00

**FIGURE 4.13- Service Bill**

Click [Save] and then [Cancel]. A list of bills will appear. At that window click [Create bill].

**Note:** Do not use 'Save and create new' because the next bill is from a different supplier.

### Item Bill (New Supplier)

Some businesses do not use purchase orders, they simply enter the bills when they receive them. There are other businesses that use manually prepared purchase orders, so if the goods and the invoice are received prior to the order being entered into the system, the operator would bypass the order process and just enter the bill.

**3/05/202\_ Purchased on credit, 20 Black Wolf Campsite sleeping bags at \$70 each (excluding GST) from Sleepover, 76 Howe Street, Osborne Park WA 6017, ABN 48 066 911 222. Terms net 30 days, Invoice no. 2109 totals \$1,540.00.**

Make sure the form displayed is a 'Services and items' layout.

- Supplier: **Type Sleepover** in this field and set up the new supplier from the information provided.
- Bill no.: Accept the next number provided by MYOB.
- Supplier invoice no.: **2109**
- Issue date: **3/05/202\_**
- Due date: 30 days after the issue date.
- Amounts are: **© Tax exclusive.**
- Item ID: **BWCSB**
- No of units: **20**
- Price: **70**

**Create bill**

[Prefill from a source document](#)

Supplier\*  
Sleepover   
No open purchase orders

Billing address  
78 Howe Street  
Osborne Park WA 6017  
Australia  
 Report to ATO via TPAR

Bill number\* 00001997  
Supplier invoice number 2100  
Issue date\* 03/05/2023  
Due date\* 02/06/2023  
Amounts are  Tax inclusive  Tax exclusive

Item ID	Description	Account *	No of units	Unit price	Discount (%)	Amount (\$) *	Job	Tax code *
BWCBS	Black Wolf Campsite Sleeping Bag	S-1500 Cost of	20	70.00	0.00	1,400.00		GST

Notes

Subtotal \$1,400.00  
Freight (\$) 0.00 GST  
Tax \$140.00  
Total \$1,540.00  
Amount paid (\$) 0.00  
Balance due \$1,540.00

[View PDF](#) [Save as recurring](#) [Prefill from recurring](#) [Cancel](#) [Save and...](#) [Save](#)

FIGURE 4.14 – Item bill

Click [Save]

### Receive Items Ordered

When the goods that have been ordered, and the bill, are received, the original purchase order is selected and converted into a bill. Click [Purchase orders] on the Purchase menu.

**8/05/202\_ Received the goods ordered (purchase order No. 1995) from Engel Aust Pty Ltd together with their invoice no. 9010 for 4 x ENEFF Eclipse fridge-freezers @ \$530 plus a freight charge of \$100 (excluding GST). Invoice total \$2,442.00. Terms are 5% 10 days, net 30 days.**

Supplier: **Engel Aust Pty Ltd** [Use Supplier]

Enter the dates issued from **01/07/202\_** and issued to **31/05/202\_** and the list of purchase orders shown in figure 4.15 will display.

**Purchase orders** [Create purchase order](#)

Supplier: All Issued from: 01/07/2022 Issued to: 31/05/2023 Search:  [Reset](#)

Total amount \$2,332.00 **Balance Due \$2,332.00**

Issue date	PO number	Supplier	Supplier invoice no	Amount (\$)	Balance due (\$)	Promised date
01/05/2023	00001995	Engel Aus...		2,332.00	2,332.00	

FIGURE 4.15 - Purchase orders

Click on the **PO number 1995** and the window shown in figure 4.16 will appear.

**Purchase Order 00001995**

TOTAL AMOUNT: \$2,332.00    TOTAL PAID: \$0.00    BALANCE DUE: \$2,332.00

Activity History    **Convert to bill**

Supplier\*: Engel Aust Pty Ltd    ABN invalid    Purchase order number\*: 00001995

Report to ATO via TPFR:     Supplier invoice number:    Issue date\*: 01/05/2023

Shipping Address: Carry On Camping, 1800 Albany Highway, Maddington WA 6109    Promised date: DD/MM/YY

Amounts are:  Tax inclusive     Tax exclusive

Item ID	Description	Account *	No of units	Unit price	Discount (%)	Amount (\$)	Job	Tax code *
ENEFF	Engel Eclipse Fridge-Freezer	S-1600 Cost of	4	530.00	0.00	2,120.00		GST

Notes:

Subtotal: \$2,120.00  
 Freight (\$): 0.00 GST  
 Tax: \$212.00  
 Total: \$2,332.00  
 Amount paid: \$0.00  
 Balance due: \$2,332.00

Delete    **Convert to bill**    View PDF    Email purchase order    Cancel    Save and...    Save

**FIGURE 4.16 – Convert to bill**

Click either of the options circled in the figure above.

Bill no: MYOB will change this to the next available number.  
 Supplier invoice no.: **9010**  
 Issue date: **8/05/2023**  
 Due date: Displays as C.O.D. Change to 10 days from issue date so that we get a reminder to take advantage of the prompt payment discount. Adding a note about the terms is probably a good idea.

Check the bill for completeness:

- Does the quantity shown in the 'No of units' field agree with the quantity ordered?
- Has the unit price changed?
- Has a charge been added for freight?  
Yes, it has.

Freight: **100**

**Create bill**

Prefill from a source document

Supplier\*: Engel Aust Pty Ltd    ABN invalid    Bill number\*: 00001998

No open purchase orders    Supplier invoice number: 9010

Billing address: Carry On Camping, 1800 Albany Highway, Maddington WA 6109    Issue date\*: 08/05/2023

Report to ATO via TPFR:     Due date\*: 18/05/2023

Amounts are:  Tax inclusive     Tax exclusive

Item ID	Description	Account *	No of units	Unit price	Discount (%)	Amount (\$)	Job	Tax code *
ENEFF	Engel Eclipse Fridge-Freezer	S-1600 Cost of	4	530.00	0.00	2,120.00		GST

Notes: Terms 5%: 10 days/net 30 days

Subtotal: \$2,120.00  
 Freight (\$): 100.00 GST  
 Tax: \$222.00  
 Total: \$2,442.00  
 Amount paid (\$): 0.00  
 Balance due: \$2,442.00

View PDF    Save as recurring    Prefill from recurring    Cancel    Save and...    Save

**FIGURE 4.17 - Order converted into a bill**

Click [Save], [Cancel], then [Create bill].

### Bill with Trade or Volume Discount

Some suppliers give a discount to customers in particular trades, such as in the building trade. Others give a discount when a customer purchases a large quantity of goods. This transaction involves a trade discount.

**10/05/202\_ Purchased 5 x Garmin Fenix 6 Smartwatches from Garmin & Co Australia at \$560 each (excluding GST), less 5% trade discount. Suppliers invoice no. 12502 is for \$2,926.00. Terms net 30 days.**

Supplier: **Garmin & Co Australia**  
Supplier invoice no.: **12502**  
Issue date: **10/05/202\_**  
Due date: **30 days after issue date.**  
Amounts are: **☉ Tax exclusive.**  
Item ID: **GFEN5**  
No of units: **5**  
Unit price: **560**  
Discount (%): **5**

Item ID	Description	Account *	No of units	Unit price	Discount (%)	Amount (\$) *	Job	Tax code *
GFEN5	Garmin Fenix 6 Smartwatch	5-1700 Cost of	5	560.00	5.00	2,660.00		GST

Subtotal: \$2,660.00  
Freight (\$): 0.00 GST  
Tax: \$266.00  
Total: \$2,926.00  
Amount paid (\$): 0.00  
Balance due: \$2,926.00

FIGURE 4.18 - Bill with trade discount

MYOB does not post this type of discount to a discount account; it simply reduces the cost price of the goods purchased.

Click [Save] and then [Cancel].

### Another Purchase Order

**10/05/202\_ Purchase order sent to Ozzie Trailblazers for 10 x OZtrail Bungalow tents @ \$265 each and 5 x OZtrail Double Burner stoves @ \$80 each (prices exclude GST). Total value of the order \$3,355.00.**

## Adjustment Note (Credit Note) for Goods Returned to Supplier

When GST was introduced in Australia, the Australian Taxation Office called what accountants have traditionally called credit notes, adjustment notes. That is the terminology now in common use. They are what a supplier will send to you when you return goods to them, or what you send a customer when they return goods to you.

**13/05/202\_ Received Adjustment Note No. 2113 for \$77.00 (including GST) from Sleepover, for one (1) damaged Black Wolf Campsite sleeping bag returned to them. This was from the items we purchased on May 3.**

There are two steps involved in recording this transaction:

### Step 1: Record the Adjustment Note

Select **Create bill**.

Supplier: **Sleepover**  
Bill no.: Accept next number.  
Supplier invoice no.: **2113**  
Issue date: **13/05/202\_**  
Amounts are:  **Tax inclusive.**  
Item ID: **BWCSB**  
No of units: **-1**

**Note:** When recording adjustments for item bills or invoices the quantity must be entered as a negative figure. When recording adjustments for service bills or invoices the amount is entered as a negative dollar amount.

Unit price: **77** (\$70 plus GST is the original price charged on supplier invoice 2109.)

Item ID	Description	Account *	No of units	Unit price	Discount (%)	Amount (\$) *	Job	Tax code *
BWCSB	Black Wolf Campsite Sleeping Bag	S-1500 Cost of	-1	77.00	0.00	-77.00		GST

Notes:

Subtotal: -\$77.00  
Freight (\$): 0.00 GST  
Tax: -\$7.00  
Total: -\$77.00  
Amount paid (\$): 0.00  
Balance due: -\$77.00

FIGURE 4.19 - Adjustment Note

Click [Save] and the window shown in figure 4.20 will appear.



FIGURE 4.20 – Save bill?

Click [Save] then [Cancel].

**Step 2: Apply the adjustment note against the original invoice**

On the **Purchases** menu select **Supplier returns** and the window shown in figure 4.21 will appear.

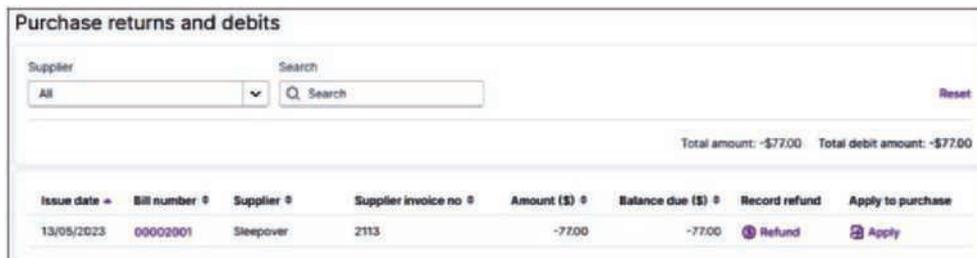


FIGURE 4.21 – Purchase returns and debits

**Tip:** If nothing is displayed here you have forgotten to put a minus in front of the quantity. Go to the 'bills' list and make the necessary adjustment.

Click **Apply**.

Change the date to **13/05/202\_**.

The next step is to apply the adjustment note against the purchase to which it relates. In this case there is only one purchase. **Type 77** in the **Amount applied** column to apply the amount. (See figure 4.22.)

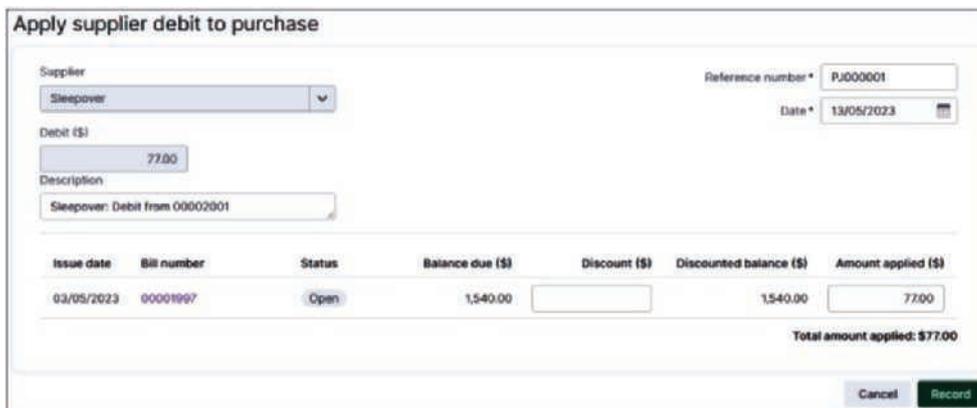


FIGURE 4.22 – Apply supplier debit to purchase

Click [Record]. There are no longer any purchase returns and debits listed.

**Pay Supplier**

Payments to suppliers must be recorded in the subsidiary ledger (Purchases menu) so that records in that ledger are updated and flow on to control accounts in the general ledger. Do not attempt to record the payment via the Banking module.

**15/05/202\_ Sent cheque no. 179 for \$1,805.00 to Garmin & Co Australia in payment of their April invoice.**

On the **Purchases** menu *select* **Create supplier payment**.

Supplier: **Garmin & Co Australia**  
Bank account: **1-1110 Business Bank Account**  
Description of transaction: **Payment of April invoice** (this is optional)  
Reference no: **179**  
Date: **15/05/202\_**

Select the invoice or invoices to be paid by *clicking* in the box alongside the invoice.

Amount paid: **1805.00** (this will appear automatically)

As we are not going to be sending any remittance advices you can remove the tick from that box.

The screenshot shows the 'Record payment to supplier' form. At the top, the supplier is 'Garmin & Co Australia' and the reference number is '179'. The date is '15/05/2023'. The bank account is '1-1110 Business Bank Account' and the description is 'Payment of April invoice'. There are checkboxes for 'Electronic payment', 'Show closed bills', 'Show purchase orders', and 'Send remittance advice'. A table below shows two purchases. The first purchase is from 10/05/2023 with a balance due of 2,926.00. The second purchase is from 22/04/2023 with a balance due of 1,805.00 and is selected. The total amount paid is \$1,805.00.

Issue date	Purchase number	Status	Balance due (\$)	Discount (\$)	Discounted balance (\$)	Amount paid (\$)
10/05/2023	00001998	Open	2,926.00		2,926.00	
22/04/2023	1990	Open	1,805.00		1,805.00	1,805.00

**FIGURE 4.23 - Pay supplier's bill**

Click [Save].

### **Pay Supplier Invoice (with Prompt Payment Discount)**

When a bill is paid and there is prompt payment discount involved, you are effectively reducing the price of the goods and therefore you are also reducing the amount of GST payable.

**16/05/202\_ Paid Engel Aust Pty Ltd \$2,319.90 by cheque no. 180. This is in payment of invoice no. 9010 less 5% prompt (early) payment discount.**

### **Calculation of discount amount**

Unless the supplier states on the bill that prompt payment discount, does not apply to freight charges, then you calculate discount on the invoice total, or the balance owing on the invoice. If discount is not allowed on the freight, then you must deduct the GST inclusive freight charge first before working out the discount. In all these exercises the discount will be taken on the total amount owing on the invoice.

In this version of the software MYOB does not provide any place on a supplier's card or bill to record the prompt payment discount offered, it is therefore best to make the due date 10 days from the date of issue, as we did with this bill, and you will then see in the list of bills that this bill is due for payment by May 18 if we want to take advantage of the discount offered.

## Pay the supplier

On the **Purchases** menu *select* **Create supplier payment**.

Supplier: **Engel Aust Pty Ltd**  
Bank account: **1-1110 Business Bank Account**  
Reference no: **180**  
Date: **16/05/2023**

Calculate 5% prompt payment discount on \$2442 = **\$122.10**. Type this amount into the Discount (\$) field and the discounted balance changes to \$2,319.90.

Amount paid: **2319.90**

Record payment to supplier

Supplier\*  
Engel Aust Pty Ltd

Reference number\* 180

Date\* 16/05/2023

Bank account  
1-1110 Business Bank Account

Description of transaction

Show closed bills  Show purchase orders

1 purchases selected

Issue date	Purchase number	Status	Balance due (\$)	Discount (\$)	Discounted balance (\$)	Amount paid (\$)
08/05/2023	00001998	Open	2,442.00	122.10	2,319.90	2,319.90

Total amount paid \$2,319.90

Send remittance advice

Cancel Save

FIGURE 4.24 - Pay bill with prompt payment discount

Click [Save].

To see the three journal entries that MYOB has created for you go to the **Reporting** menu and *select* **Journal entries** and change the transaction type to **All**.

1. Recorded the discount received and the amount of GST included in the figure.
2. Recorded the payment made.
3. Applied the prompt payment discount against the bill. (See figure 4.25)

Ref no	Account number	Account name	Debit (\$)	Credit (\$)
<b>Bill</b> 16/05/2023 Engel Aust Pty Ltd: Discounts on 00001998				
00002002	2-1140	Accounts Payable	122.10	
00002002	4-2300	Discount Received		111.00
00002002	2-1212	GST		11.10
Total amount			122.10	122.10
<b>Bill payment</b> 16/05/2023 Payment: Engel Aust Pty Ltd				
180	1-1110	Business Bank Account		2,319.90
180	2-1140	Accounts Payable	2,319.90	
Total amount			2,319.90	2,319.90
<b>Supplier return a/c</b> 16/05/2023 Engel Aust Pty Ltd: Debit from 00002002				
P0000002	2-1140	Accounts Payable		122.10
P0000002	2-1140	Accounts Payable	122.10	
Total amount			122.10	122.10

FIGURE 4.25 -Supplier payment journal entries

## Cash purchase of a new item from a new supplier

Any purchase that involves items must be entered via the Purchases menu. When the goods have been paid for at the time of purchase, you are able to record the payment at the same time as you record the bill.

**22/05/202\_ The cash purchase of 20 single Airbeds (Item ID AIRBS) @ \$29.90 each, including GST, from Spinifex Group (Invoice no. 3575 for \$598) was paid by cheque no. 181. This item will sell for \$50.00 each, excluding GST. ABN 27 990 366 202.**

On the **Purchases** menu *select* **Create bill**.

Supplier: **Spinifex Group**

You have very little information about this supplier, but you must create the supplier.

Supplier invoice no.: **3575**

Issue date: **22/05/202\_**

Due date: **C.O.D.**

This is a cash purchase which is payable on delivery.

Amounts are:  **Tax inclusive.**

Check the layout of the bill and if it is not a 'Services and items' layout, then change it.

Item ID: **AIRBS**

An item list will appear to let you know that no such item has been found, *click* **Create item** and complete the item details, selling and buying sections for the new item from the information provided, and as shown in figure 4.26 (this have been modified to save space). The tax code for buying and selling is GST.

The screenshot shows the 'Create item' dialog box with the following sections:

- Item details:** Name: Airbed; Description: Single airbed; Use description on transaction instead of name: ; Item ID: AIRBS.
- Inventory details:**  I track stock for this item; Asset account for tracking inventory: (empty dropdown).
- Selling details:**  I sell this item; Selling price: 50.00; Selling price is:  Tax inclusive,  Tax exclusive; Unit of measure: Each; Account for tracking sales: 4-1500 Sales Sleeping Equipment; Tax code: GST.
- Buying details:**  I buy this item; Buying price: 29.90; Buying price is:  Tax inclusive,  Tax exclusive; Unit of measure: Each; Account for tracking purchases: 5-1500 Cost of Sales Sleeping Equipment; Tax code: GST.

**FIGURE 4.26 – Setup new item while recording bill**

*Click* [Save] to return to the bill window.

No of units: **20**

Unit price: **29.90**

With a cash purchase to a named supplier, or a generic supplier such as Cash Purchases, the payment of that purchase is recorded on the same date and can be done from this window.

Amount paid: **598**  
 Check your screen against figure 4.27.

**Create bill**

Prefill from a source document

Supplier\*  
 Spiniflex Group ⚠ ABN invalid  
 No open purchase orders  
 Report to ATO via TPAR

Bill number\* 00002003  
 Supplier invoice number 3575  
 Issue date\* 22/05/2023  
 Due date\* C.O.D.  
 Amounts are  Tax inclusive  
 Tax exclusive

Item ID	Description	Account *	No of units	Unit price	Discount (%)	Amount (\$) *	Job	Tax code *
AIRBS	Single airbed	5-1500 Cost of	20	29.90	0.00	598.00		GST

Notes:

Subtotal \$598.00  
 Freight (\$) 0.00 GST  
 Tax \$54.36  
 Total \$598.00  
 Amount paid (\$) 598.00  
 Balance due \$0.00

**FIGURE 4.27 – Cash purchase of items**

Click [Save] and then check the 'More information' section at the bottom of the window.

It shows that cheque number 181 was used to pay for these items (see figure 4.28). That is the correct cheque number, it is the next cheque number in sequence, according to MYOB. If it is not the correct number, *click* on the cheque number and edit the record to show the correct cheque number.

**More information**

Activity history Bill payment recorded

<span style="color: green;">+</span> Bill payment recorded	181 Payment recorded \$598.00	22/05/2023
<span style="color: blue;">+</span> Bill created		22/05/2023

**FIGURE 4.28 - Cheque payment information**

### Bills and purchase orders

'Bills' on the Purchases menu is a useful place to go if you are trying to locate a purchase transaction. You may want to determine whether it has been recorded, how it was recorded and whether it has been paid. It is also a great place to go if you need to edit a purchase transaction. Figure 4.29 shows bills recorded to date with different statuses.

**Bills** Create bill

Status: All | Supplier: All | Issue from: 01/07/2022 | Issue to: 31/05/2023 | Search:  Reset

Total amount \$16,496.90 | Balance due \$11,774.00 | Overdue \$7,365.00

Issue date	Bill number	Supplier	Supplier invoice no	Amount (\$)	Balance due (\$)	Due date	Attachment	Status
22/05/2023	00002003	Splintex Gro...	3575	598.00	0.00	21/06/2023		Closed
16/05/2023	00002002	Engel Aust ...		-122.10	0.00	16/05/2023		Closed
13/05/2023	00002001	Sleepover	2113	-77.00	0.00	12/06/2023		Closed
10/05/2023	00001999	Garmin & C...	12502	2,926.00	2,926.00	09/06/2023		Open
08/05/2023	00001998	Engel Aust ...	9010	2,442.00	0.00	18/05/2023		Closed
03/05/2023	00001997	Sleepover	2109	1,540.00	1,463.00	02/06/2023		Open
01/05/2023	00001996	Commercial...	435/5	3,850.00	3,850.00	08/05/2023		Open
29/04/2023	1993	Ozzie Trailb...	27366	3,535.00	3,535.00	29/05/2023		Open
22/04/2023	1990	Garmin & C...	12480	1,805.00	0.00	22/05/2023		Closed

**FIGURE 4.29 - Bills**

Purchase order on the Purchases menu is a useful place to go if you are trying to locate an outstanding purchase order. See figure 4.30.

**Purchase orders** Create purchase order

Supplier: All | Issued from: 01/07/2022 | Issued to: 31/05/2023 | Search:  Reset

Total amount \$3,355.00 | Balance Due \$3,355.00

Issue date	PO number	Supplier	Supplier invoice no	Amount (\$)	Balance due (\$)	Promised date
10/05/2023	00002000	Ozzie Trail...		3,355.00	3,355.00	

**FIGURE 4.30 – Purchase orders**

Another useful place to go to locate purchase transactions is the Purchase register which is shown in the reports that follow.

### Receipt of goods ordered

**29/05/202\_** *Received the goods ordered from Ozzie Trailblazers together with their invoice no. 27427 for \$3,465.00 including a freight charge of \$100 (excludes GST). The goods received were exactly as ordered. Terms are 5% 10 days/net 30 days.*

## Reports

Display the following reports for May.

### *Purchase register*

Select Reporting > Reports > Purchases > Purchase register.

**Purchase register report** Save as

Date range: Custom | Date from: 01/05/2023 | Date to: 31/05/2023 | Suppliers: All selected | Transaction filter: All selected | Purchase status: All bills | Report options | Reset

**1 May 2023 to 31 May 2023** Customise | Export

Date	PO No.	Supplier Inv No.	Supplier name	Amount (\$)	Amount due (\$)	Status	Received
01/05/2023	00001996	435/5	Commercial Realty	3,850.00	3,850.00	Open	No
03/05/2023	00001997	2109	Sleepover	1,540.00	1,463.00	Open	Yes
08/05/2023	00001998	9010	Engel Aust Pty Ltd	2,442.00	0.00	Closed	Yes
10/05/2023	00001999	12502	Garmin & Co Australia	2,926.00	2,926.00	Open	Yes
13/05/2023	00002001	2113	Sleepover	(77.00)	0.00	Closed	Yes
16/05/2023	00002002		Engel Aust Pty Ltd	(122.10)	0.00	Closed	No
22/05/2023	00002003	3575	Spinifex Group	598.00	0.00	Closed	Yes
29/05/2023	00002004	27427	Ozzie Trailblazers	3,465.00	3,465.00	Open	Yes
<b>Total</b>				<b>14,621.90</b>	<b>11,704.00</b>		

**FIGURE 4.31 – Purchase register**

At this report you can click on the PO No. to get back to the original bill where you can check that everything is as it should be or make amendments if necessary.

The reports that follow have been exported to PDF so that they look more presentable, especially if you must provide them to management. The payables reconciliation and unpaid bills reports can be expanded using the buttons available on screen, to show a more detailed report if required, before being exported.

***Payables reconciliation***

Select Reporting > Reports > Purchases > Payables reconciliation with tax.

As at: 31/05/202\_

<b>Carry On Camping</b> 1800 Albany Highway Maddington WA 6109 9459 1999		
<hr/>		
<b>Payables reconciliation with tax report</b>		
31 May 2023		
<b>Name</b>	<b>Amount outstanding (\$)</b>	<b>Tax outstanding (\$)</b>
Commercial Realty	3,850.00	350.00
Garmin & Co Australia	2,926.00	266.00
Ozzie Trailblazers	7,000.00	636.36
Sleepover	1,463.00	133.00
<b>Total</b>	<b>15,239.00</b>	<b>1,385.36</b>
<hr/>		
<b>Payables account</b>	<b>15,239.00</b>	
<b>Out of balance amount</b>	<b>0.00</b>	

**FIGURE 4.32 - Payables reconciliation with tax**

***Unpaid bills***

Select Reporting > Reports > Purchases > Unpaid bills.

As at: 31/05/202\_

## Unpaid bills report

31 May 2023

Supplier name	Supplier number	0 - 30	31 - 60	61 - 90	90+	Total due (\$)
Commercial Realty	*None	3,850.00	0.00	0.00	0.00	3,850.00
Garmin & Co Australia	*None	2,926.00	0.00	0.00	0.00	2,926.00
Ozzie Trailblazers	*None	3,465.00	3,535.00	0.00	0.00	7,000.00
Sleepover	*None	1,463.00	0.00	0.00	0.00	1,463.00
<b>Grand total</b>		<b>11,704.00</b>	<b>3,535.00</b>	<b>0.00</b>	<b>0.00</b>	<b>15,239.00</b>

FIGURE 4.33 – Unpaid bills

### *Trial balance*

Select Reporting > Reports > Business > Trial Balance.

As at: May 202\_

When displayed as a PDF, the report goes on to a second page, it has therefore been modified to fit on one page.

## Trial balance report

May 2023

Account no	Account name	Debit (\$)	Credit (\$)	YTD Debit (\$)	YTD Credit (\$)
1-1110	Business Bank Account		4,722.90	28,892.10	
1-1120	Business Investment Account	0.00		5,000.00	
1-1121	Petty Cash/Cash on Hand	0.00		100.00	
1-1200	Accounts Receivable	0.00		7,245.00	
1-1201	Less Prov'n for Doubtful Debts	130.00			145.00
1-1300	Inventory	0.00		10,700.00	
1-1310	Prepaid Insurance		446.00	444.00	
1-2110	Furniture & Equipment At Cost	0.00		8,400.00	
1-2120	Accum. Depr. Furniture & Equipment		105.00		4,515.00
1-2210	Improvements At Cost	0.00		5,000.00	
1-2220	Accum. Depr. Improvements		117.00		3,947.00
1-2310	Motor Vehicles At Cost	1,190.91		18,090.91	
1-2320	Accum. Depr. Motor Vehicles	11,563.11			376.89
2-1110	Visa		0.00		1,465.00
2-1140	Accounts Payable		9,899.00		15,239.00
2-1212	GST	2,638.35			971.65
2-1350	PAYG Withholding Payable		0.00		2,635.00
2-1355	Superannuation Payable		0.00		477.00
2-1360	Wages & Salaries Payable	1,003.00			0.00
2-2105	Business Loan		14,400.00		14,400.00
3-1000	Owner's Capital		0.00		52,495.00
3-2000	Owner's Drawings		0.00	22,700.00	
4-1400	Sales Tents		0.00		108,900.00
4-1500	Sales Sleeping Equipment		0.00		16,800.00
4-1600	Sales Kitchen Equipment		0.00		48,750.00
4-1700	Sales Other		0.00		59,780.00
4-2100	Service Income		0.00		3,000.00
4-2200	Freight Income		0.00		1,200.00
4-2300	Discount Received		111.00		411.00
4-5000	Profit on sale of asset		40.00		40.00
5-1400	Cost of Sales Tents	2,650.00		41,050.00	
5-1500	Cost of Sales Sleeping Equipment	1,873.64		10,033.64	
5-1600	Cost of Sales Kitchen Equipment	2,520.00		28,920.00	
5-1700	Cost of Sales Other	2,660.00		31,460.00	
5-2000	Freight Costs	200.00		750.00	
5-3000	Discount Allowed	0.00		250.00	
6-1110	Accounting & Bookkeeping	0.00		900.00	
6-1120	Advertising & Marketing	0.00		4,500.00	
6-1150	Bad Debts		130.00		130.00
6-1160	Bank Fees & Charges	0.00		200.00	
6-1250	Depreciation Expenses	598.89		3,968.89	
6-1300	Electricity Expenses	0.00		1,775.00	
6-1500	Insurance Expenses	446.00		4,896.00	
6-1700	Motor Vehicle Expenses	0.00		4,200.00	
6-4100	Payroll - Wages & Salaries		1,003.00	52,919.00	
6-4200	Payroll- Superannuation	0.00		5,123.00	
6-4280	Postage & Stationery	0.00		370.00	
6-4300	Rent Expense	3,500.00		33,500.00	
6-4320	Repairs & Maintenance	0.00		1,160.00	
6-4400	Staff Amenities	0.00		210.00	
6-4460	Telephone & Internet	0.00		2,920.00	
<b>Grand total</b>		<b>30,973.90</b>	<b>30,973.90</b>	<b>335,677.54</b>	<b>335,677.54</b>
<b>Net profit</b>			<b>(13,164.53)</b>		<b>9,905.47</b>

FIGURE 4.34 - Trial Balance

## REVISION EXERCISE 1 (Purchases periodic inventory)

Robert and Anne Milne operate as a partnership. Both partners work in the bakery shop where they make bread, cakes, and pastries. There are no employees, and they use a periodic inventory system because it is easier for them to do a quick stocktake at the end of the financial year to establish a value for stock on hand. Most of their inputs are GST free food items.

You are required to:

- Create a new MYOB data file.
- Make changes to the Chart of accounts (add, edit & delete).
- Enter opening General Ledger balances.
- Setup Supplier cards and enter opening balances.
- Record a variety of transactions for the month.
- Print or display reports for the month.

### Create a new data file

Business name: **Broken Hill Bakery**  
 ABN: **22 567 432 109**  
 Address: **2 Hunter Street**  
**Broken Hill NSW 2880**  
 Phone: **9961 1122**  
 Current financial year: **202\_**  
 Last month of financial year: **June**  
 Opening balance date: **July**  
 Industry: **Retail**

The business operates as a partnership and setting up this type of business structure is a bit complicated. Follow this sequence:

1. Create the data file and complete only the Business settings on the main menu.
2. Edit the accounts in table 4.5.
3. Add the accounts in table 4.6.
4. Move the equity accounts as shown in figure 4.35.
5. On the main menu *select* **Income allocation**, and allocate the income as shown in figure 4.36.

### Chart of accounts

#### Edit accounts

Acc. No.	Old Name	Acc. No.	New Name	Level	Tax Code
3-1000	Owner's Funds Introduced...	3-1015	Capital Contributions RM	Detail	N-T
3-2000	Owner's Drawings...	3-2015	Capital Contributions AM	Detail	N-T

TABLE 4.5 – Edit equity accounts

#### Add accounts

Account No.	Account Name	Level	Tax Code
3-1000	Robert Milne	Header*	
3-1010	Retained Earnings RM	Detail	N-T
3-1020	Current Earnings RM	Detail	N-T
3-1025	Drawings RM	Detail	N-T
3-2000	Anne Milne	Header*	
3-2010	Retained Earnings AM	Detail	N-T
3-2020	Current Earnings AM	Detail	N-T
3-2025	Drawings AM	Detail	N-T

TABLE 4.6 – Add equity accounts

\*Generate sub-totals

## Move accounts

Once you have edited and created the equity accounts you will have to move the detail accounts so that they are subaccounts of the header accounts. Click in the box alongside the account(s) you want to move, *click* on the arrows in the [Move to...] button and select the header account as shown in figure 4.35.

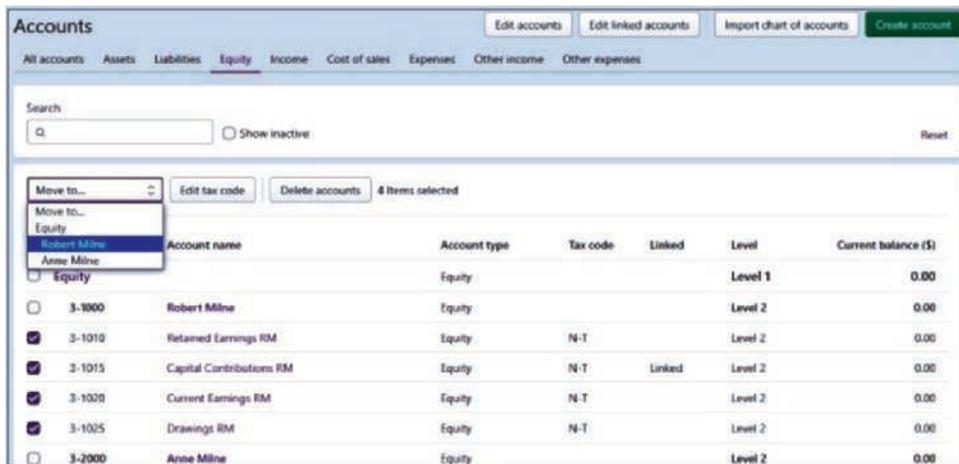


FIGURE 4.35 – Move subaccounts

The accounts will then be moved down to become level 3 accounts.

Complete the income allocation as shown in figure 4.36.

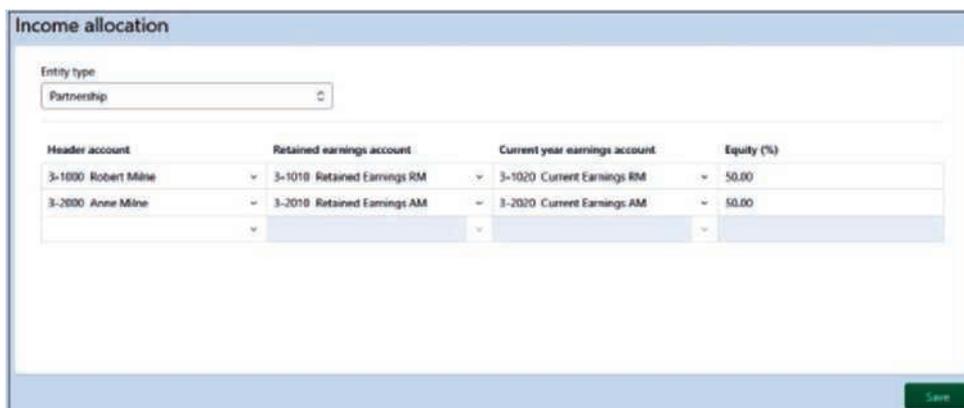


FIGURE 4.36 – Income allocation

## Edit/Add accounts

Account No.	Account Name	Level	Tax Code
1-1110	Business Bank Account	Detail	N-T
1-1120	Petty Cash/Cash on Hand	Detail	N-T
4-1410	Discount Received	Detail	GST
1-2610	Buildings	Detail	CAP
1-2620	Accum. Depr. Buildings	Detail	N-T
5-1000	Purchases	Detail	GST

TABLE 4.7 – Edit/Add accounts

## Linked accounts

Activate and link the following purchases accounts:

- I pay freight on purchases – 5-2200 Freight & Courier
- I take discounts for early payment - 4-1410 Discount Received

## Enter opening balances

Broken Hill Bakery 2 Hunter Street Broken Hill NSW 2880 9961 1122			
<b>Trial balance report</b>			
Jun 2022			
Account no	Account name	Debit (\$)	Credit (\$)
1-1110	Business Bank Account	12,500.00	
1-1120	Petty Cash/Cash on Hand	100.00	
1-2110	Plant & Equipment	55,000.00	
1-2120	Accum. Depr. Plant & Equipment		16,000.00
1-2510	Motor Vehicles	25,000.00	
1-2520	Accum. Depr Motor Vehicles		6,000.00
1-2610	Buildings	120,000.00	
1-2620	Accum. Depr. Buildings		11,000.00
2-1140	Accounts Payable		2,900.00
2-1212	GST Balance		2,900.00
2-2105	Business Loan #1		79,000.00
3-1010	Retained Earnings RM		47,400.00
3-2010	Retained Earnings AM		47,400.00
<b>Grand total</b>		<b>212,600.00</b>	<b>212,600.00</b>

FIGURE 4.37 – Opening balances

## Setup suppliers

Contact type	Supplier	Supplier	Supplier	Supplier
Designation	Individual	Company	Company	Company
Name	Jane Crawford	Crown Flour Mills	Decorators Delight	Cash Purchases
ABN	02 479 368 221	55 639 876 452	73 134 628 947	
Address	3 Discovery St Broken Hill NSW 2880	1529 Parramatta Rd Parramatta NSW 2150	PO Box 187 Mildura VIC 3500	
Expense account	6-1190 Cleaning			
Contact person		John Hill	Jeff Miles	
Phone	9961 8410	9630 4998	(03) 9698 0653	
Purchase layout	Service	Item	Item	Item
Supplier terms	Net 7 days	Net 30 days	5% 10/Net30	C.O.D.

TABLE 4.7 – Supplier information

## Enter supplier opening balances

Supplier	PO No.	Date	Invoice No.	Total	Tax Code
Crawford, Jane	1133	26/06/202_	25	\$110.00	GST
Crown Flour Mills	1125	17/06/202_	3398	\$450.00	FRE
Crown Flour Mills	1134	28/06/202_	3465	\$1,900.00	FRE
Decorators Delight	1135	28/06/202_	2260	\$440.00	GST

TABLE 4.8 – Supplier opening balances

## Setup inventory items (buy only)

Name	Flour	Fruit	Decoration
Description	Flour 50kg bag	Dried Fruit	Cake Decorations
Item ID	FLR50	DF10	DECOR
Expense account for tracking purchases	5-1000	5-1000	5-1000
Buying unit of measure	Bag	Box	Pkt
Tax code	FRE	FRE	GST

TABLE 4.9 – Inventory items

## **Transactions**

**Note:** Freight charges have GST added to them even if the items purchased are GST free. Prices are GST inclusive unless otherwise stated.

- 2/07/202\_ Purchase order no. 1136 issued to Crown Flour Mills for 10 only 50kg bags of flour @ \$32.00 per bag (excluding GST) to be delivered by road freight. Freight charge will be \$30.00 (excluding GST).
- 5/07/202\_ Paid \$418.00 to Decorators Delight by cheque no. 112 for goods supplied on Invoice no. 2260 less early payment discount.
- 8/07/202\_ Cash purchase (invoice no. 109 for \$292.50) for 3 boxes of dried fruit at \$97.50 per box paid for with cheque no. 113.
- 11/07/202\_ Received 10 bags of flour from Crown Flour Mills together with their invoice no. 3480 for \$353.00.
- 12/07/202\_ Ordered 50 packets of cake decorations @ \$16.00 per packet (excluding GST) from Decorators Delight to be sent via Australia Post. Purchase order no. 1140.
- 15/07/202\_ Received invoice no. 27 for \$110.00 (including GST) from Jane Crawford for shop cleaning services provided.
- 16/07/202\_ Ordered 20 packets of cake decorations @ \$18.00 per packet (excluding GST) and 5 boxes of dried fruit @ \$95.00 per box from Decorators Delight.
- 17/07/202\_ Paid June invoices totalling \$2,350.00 owing to Crown Flour Mills with cheque no. 114.
- 18/07/202\_ Wrote cheque no. 115 for \$110.00 in favour of Jane Crawford to pay her June invoice.
- 19/07/202\_ Received goods ordered on purchase order no. 1140 from Decorators Delight, price and quantity charged on invoice no. 2310 for \$913.00 agree with the order, but a freight charge of \$30.00 (plus GST) has been added. Terms 5% 10/ Net 30.
- 22/07/202\_ Crown Flour Mills issued adjustment note no. 3555 for 1 bag of flour @ \$32.00 per bag that we had to throw away because it had weevils in it.
- 23/07/202\_ Ordered 200 bags of flour @ \$32.00 per bag less 5% volume discount from Crown Flour Mills on order no. 1145. A road freight charge of \$50.00 (excluding GST) will be added. Total value of purchase order \$6,135.00.
- 24/07/202\_ Received goods ordered on purchase order no. 1142 from Decorators Delight together with their invoice no. 2318. No changes required to quantity or price.
- 28/07/202\_ Received a cleaning service invoice no. 30 for \$110.00 (including GST) from Jane Crawford.
- 29/07/202\_ Received goods ordered on purchase order no. 1145 from Crown Flour Mills together with their invoice no. 3570 for \$6,135.00.
- 31/07/202\_ Pay Decorators Delight for their July invoices, less any early payment discount applicable, with cheque no. 116.

**Note:** If you go to 'Find transactions' and check out this transaction, you will see that the amount of GST included in the discount is only \$1.80. That is because most of the items were GST free.

- 31/07/202\_ Purchase order sent to Decorators Delight for 25 packets of cake decorations @ \$15.00 per packet (excluding GST).

Print or display the following reports for July:

- Purchases – Unpaid bills
- Purchases – Supplier purchases (detail)
- Accounts – Balance sheet
- Accounts – Trial balance

						Broken Hill Bakery 2 Hunter Street Broken Hill NSW 2880 9961 1122
<b>Unpaid bills report</b>						
31 Jul 2022						
Supplier name	Supplier number	0 - 30	31 - 60	61 - 90	90+	Total due (\$)
Crown Flour Mills	*None	6,456.00	0.00	0.00	0.00	6,456.00
Jane Crawford	*None	220.00	0.00	0.00	0.00	220.00
<b>Grand total</b>		<b>6,676.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6,676.00</b>

FIGURE 4.38 – Unpaid bills (Aged Payables)

						Broken Hill Bakery 2 Hunter Street Broken Hill NSW 2880 9961 1122
<b>Supplier purchases (detail) report</b>						
01 Jul 2022 - 31 Jul 2022						
Supplier name	Supplier ID	Amount (\$)				
<b>Cash Purchases</b>	<b>*None</b>					
ID No.	Date	Quantity	Item/Acct	Amount (\$)	Tax code	Status
00001138	08/07/2022	3	DF10	292.50	FRE	Closed
<b>Total</b>				<b>292.50</b>		
<b>Crown Flour Mills</b>	<b>*None</b>					
ID No.	Date	Quantity	Item/Acct	Amount (\$)	Tax code	Status
00001139	11/07/2022	10	FLR50	320.00	FRE	Open
00001144	22/07/2022	-1	FLR50	(32.00)	FRE	Closed
00001148	28/07/2022	200	FLR50	6,080.00	FRE	Open
<b>Total</b>				<b>6,368.00</b>		
<b>Decorators Delight</b>	<b>*None</b>					
ID No.	Date	Quantity	Item/Acct	Amount (\$)	Tax code	Status
00001137	05/07/2022		4-1410	(20.00)	GST	Closed
00001143	19/07/2022	50	DECOR	800.00	GST	Closed
00001146	24/07/2022	20	DECOR	360.00	GST	Closed
00001146	24/07/2022	5	DF10	475.00	FRE	Closed
00001149	31/07/2022		4-1410	(18.00)	GST	Closed
00001149	31/07/2022		4-1410	(23.75)	FRE	Closed
<b>Total</b>				<b>1,573.25</b>		
<b>Jane Crawford</b>	<b>*None</b>					
ID No.	Date	Quantity	Item/Acct	Amount (\$)	Tax code	Status
00001141	15/07/2022		6-1190	100.00	GST	Open
00001147	29/07/2022		6-1190	100.00	GST	Open
<b>Total</b>				<b>200.00</b>		
<b>Grand total</b>						<b>8,433.75</b>

FIGURE 4.39 – Supplier purchases (detail)

## Balance sheet report

Accrual mode  
 31 Jul 2022

	Total
<b>3-0000 Equity</b>	
<b>3-1000 Robert Milne</b>	
3-1010 Retained Earnings RM	47,400.00
3-1020 Current Earnings RM	(4,271.88)
<b>Total Robert Milne</b>	<b>43,128.12</b>
<b>3-2000 Anne Milne</b>	
3-2010 Retained Earnings AM	47,400.00
3-2020 Current Earnings AM	(4,271.87)
<b>Total Anne Milne</b>	<b>43,128.13</b>
<b>Total Equity</b>	<b>86,256.25</b>

FIGURE 4.40 – Balance sheet

Only the equity accounts are displayed in the report above so that you can see how MYOB handles the profit/loss in the balance sheet of a partnership.

## Trial balance report

Jul 2022

Account no	Account name	Debit (\$)	Credit (\$)	YTD Debit (\$)	YTD Credit (\$)
1-1110	Business Bank Account		4,910.95	7,589.05	
1-1120	Petty Cash/Cash on Hand	0.00		100.00	
1-2110	Plant & Equipment	0.00		55,000.00	
1-2120	Accum. Depr. Plant & Equipment	0.00			16,000.00
1-2510	Motor Vehicles	0.00		25,000.00	
1-2520	Accum. Depr Motor Vehicles	0.00			6,000.00
1-2610	Buildings	0.00		120,000.00	
1-2620	Accum. Depr. Buildings	0.00			11,000.00
2-1140	Accounts Payable		3,776.00		6,676.00
2-1212	GST Balance	143.20			2,756.80
2-2105	Business Loan #1		0.00		79,000.00
3-1010	Retained Earnings RM		0.00		47,400.00
3-2010	Retained Earnings AM		0.00		47,400.00
4-1410	Discount Received		61.75		61.75
5-1000	Purchases	8,295.50		8,295.50	
5-2200	Freight & Courier	110.00		110.00	
6-1190	Cleaning	200.00		200.00	
<b>Grand total</b>		<b>8,748.70</b>	<b>8,748.70</b>	<b>216,294.55</b>	<b>216,294.55</b>

FIGURE 4.41 - Trial Balance

## REVISION EXERCISE 2 (Purchases periodic inventory)

Zac's Sporting Goods is a small retail business owned by Zachary Anderson who is a sole trader. There are no employees, and a periodic inventory system is used because it is easy for him to do a quick stocktake at the end of the financial year. The business is registered for GST and all prices quoted are GST exclusive unless otherwise stated.

You are required to:

- Create a new MYOB data file.
- Make changes to the Chart of accounts (add, edit & delete).
- Enter opening General Ledger balances.
- Setup Supplier cards and enter opening balances.
- Record a variety of transactions for the month.
- Print or display reports for the month.

### Create a new data file

Business name: **Zac's Sporting Goods**  
 ABN: **45 506 404 316**  
 Address: **Shop 11 Midland Shopping Centre**  
**Midland WA 6056**  
 Phone: **9294 1122**  
 Current financial year: **202\_**  
 Last month of financial year: **June**  
 Opening balance date: **January**  
 Industry: **Retail**

### Chart of accounts

#### Add accounts

Account No.	Account Name	Level	Tax Code
1-1130	Petty Cash/Cash on Hand	Detail	N-T
1-2120	Accum. Depr. Shop Fittings	Detail	N-T
4-1500	Service Income	Detail	GST
4-4000	Discount Received	Detail	GST
5-3000	Freight Expense	Detail	GST
5-4000	Packaging	Detail	GST
6-1300	Depreciation Expenses	Detail	N-T
6-1500	Insurance Expenses	Detail	GST

TABLE 4.10 – Add accounts

#### Edit accounts

Account No.	Old Name	New Name	Level	Tax Code
1-1110	Bank Account 1	Business Bank Account	Detail	N-T
1-1120	Bank Account 2	Investment Account	Detail	N-T
1-2110	Equipment, Furniture & Vehicles	Shop Fittings At Cost	Detail	CAP
3-1000	Personal Income	Owner's Capital	Detail	N-T
3-2000	Personal Expenses	Owner's Drawings	Detail	N-T
4-1400	Sales	Sales Income	Detail	GST
4-5005	Other Income	Interest Income	Detail	ITS
6-1470	Freight, Courier & Postage	Electricity Expenses	Detail	GST
6-4280	Printing & Stationery	Printing, Postage & Stationery	Detail	GST

TABLE 4.11 – Edit accounts

Activate and link the following account for purchases:

- I pay freight on purchases – 5-3000 Freight Expense
- I take discounts for early payment – 4-4000 Discount Received

### Enter opening balances

Zac's Sporting Goods Shop 11 Midland Shopping Centre Midland WA 6056 9294 1122			
<b>Trial balance report</b>			
Dec 2022			
Account no	Account name	Debit (\$)	Credit (\$)
1-1110	Business Bank Account	12,940.00	
1-1120	Investment Account	17,660.00	
1-1130	Petty Cash/Cash on Hand	150.00	
1-2110	Shop Fittings At Cost	46,600.00	
1-2120	Accum Depr. Shop Fittings		13,930.00
2-1140	Accounts Payable		7,340.00
2-1212	GST		1,055.00
3-1000	Owner's Capital		48,640.00
3-2000	Owner's Drawings	12,000.00	
4-1400	Sales Income		62,255.00
4-1500	Service Income		490.00
4-4000	Discount Received		65.00
4-5005	Interest Income		195.00
5-2000	Purchases	32,150.00	
5-3000	Freight Expense	760.00	
5-4000	Packaging	500.00	
6-1110	Accounting & Bookkeeping	500.00	
6-1120	Advertising & Marketing	910.00	
6-1160	Bank Fees & Charges	135.00	
6-1300	Depreciation Expenses	3,360.00	
6-1470	Electricity Expenses	630.00	
6-1500	Insurance Expenses	4,120.00	
6-4280	Printing, Postage & Stationery	715.00	
6-4320	Repairs & Maintenance	350.00	
6-4460	Telephone & Internet	490.00	
<b>Grand total</b>		<b>133,970.00</b>	<b>133,970.00</b>

FIGURE 4.42 – Opening balances

### Setup suppliers

Contact type	Supplier	Supplier	Supplier	Supplier
Designation	Company	Company	Company	Company
Name	Burley & Co	Galaxy Sports	Willow Industries	Active Sports Repairs
ABN	91 128 237 302	26 080 631 889	49 009 143 621	35 111 200 677
Address	GPO Box 1990 Sydney NSW 2001	1010 Hume Hwy Arncliffe NSW 2205	27 Raleigh Rd Melton VIC 3337	89 Park Rd Midvale WA 6056
Contact person	Alex Smith	Greg Wilson	Amanda Blake	Rocky Chance
Phone	(02) 9621 1000	(02) 9630 9990	(03) 9743 5335	9250 4668
Purchase layout	Item	Item	Item	Service
Supplier terms	Net 30 days	5% 10/Net 30	Net 30 days	Net 7 days

TABLE 4.12 – Supplier information

### Enter supplier opening balances

Supplier	PO No.	Date	Invoice No.	Total	Tax Code
Burley & Co	1067	6/12/202_	7097	\$2,280.00	GST
Galaxy Sports	1078	30/12/202_	10269	\$3,290.00	GST
Willow Industries	1073	19/12/202_	86772	\$1,770.00	GST

**TABLE 4.13 – Supplier opening balances**

### Setup inventory items (buy only)

Name	BBall	CBats	CBall	FBall	BHoop	CWick
Item ID	BBL	CBT	CBL	FBL	BHP	WKT
Description	Basketballs	Cricket Bats	Cricket Balls	Footballs	Basketball Hoop	Cricket Wickets
Expense account for tracking purchases	5-2000	5-2000	5-2000	5-2000	5-2000	5-2000
Buying unit of measure	Each	Each	Each	Each	Each	Set
Tax code (exclusive)	GST	GST	GST	GST	GST	GST

**TABLE 4.14 – Inventory items**

### Transactions

**Note:** All prices exclude GST unless otherwise stated.

- 2/01/202\_ Purchase order no. 1086 issued to Burley & Co for 50 footballs @ \$35.00 each and 40 basketballs @ \$45.00 each.
- 6/01/202\_ Paid \$3,125.50 to Galaxy Sports by cheque no. 272 for goods supplied on invoice no. 10269 less prompt payment discount.
- 8/01/202\_ Sent a purchase order to Active Sports Repairs for the repair of 4 footballs. We were quoted \$44.00 including GST for these repairs (use 5-1000 Cost of sales account).
- 9/01/202\_ Received the 50 footballs and 40 basketballs from Burley & Co together with their invoice no. 7109 for \$3,960.00 including a freight charge of \$50.00 (plus GST).
- 10/01/202\_ Ordered 10 sets of wickets @ \$50.00 per set and 10 basketball hoops @ \$120 each from Galaxy Sports.
- 13/01/202\_ Received invoice no. 323 for \$44.00 from Active Sports Repairs for the repair services provided.
- 14/01/202\_ Ordered 150 cricket bats @ \$90.00 each from Willow Industries.
- 15/01/202\_ Paid Burley & Co \$2,280.00 with cheque no. 273.
- 17/01/202\_ Sent a purchase order to Galaxy Sports for 100 cricket balls @ \$45.00 each.
- 20/01/202\_ Received the goods ordered from Galaxy Sports on 10/01/202\_, price and quantity charged on invoice no. 10310 for \$1,958.00 agree with the order. A freight charge of \$80.00 (plus GST) has been added. Terms 5% 10/N30.
- 22/01/202\_ Received the 150 cricket bats @ \$90.00 each from Willow Industries. They gave us a 10% volume discount on their invoice no. 86791. A freight charge of \$50.00 (excluding GST) was added. Total value of invoice \$13,420.00. Terms N30.
- 23/01/202\_ Galaxy Sports issued adjustment note no. 10335 for \$132.00 for one damaged basketball hoop that we had returned to them.
- 24/01/202\_ Received all the cricket balls ordered from Galaxy Sports on the 17/01/202\_ at the price quoted, together with their invoice no. 10340 for \$4,983.00 including a \$30.00 freight charge.

27/01/202\_ Sent cheque no. 274 for \$6,468.55 to Galaxy Sports in payment of their January invoices, less the prompt payment discount applicable.

30/01/202\_ Purchase order sent to Galaxy Sports for 200 cricket balls @ \$45.00 each.

31/01/202\_ Paid Willow Industries for their December invoice with cheque no. 275.

Print or display the following reports for January:

- Purchases – Payables reconciliation with tax
- Purchases – Supplier purchases (detail)
  - Filter to display Orders.
- Purchases – Supplier purchases (detail)
  - Filter to display Galaxy Sports.
- Accounts – Trial Balance

Zac's Sporting Goods Shop 11 Midland Shopping Centre Midland WA 6056 9294 1122		
<b>Payables reconciliation with tax report</b>		
31 Jan 2023		
Name	Amount outstanding (\$)	Tax outstanding (\$)
Active Sports Repairs	44.00	4.00
Burley & Co	3,960.00	360.00
Willow Industries	13,420.00	1,220.00
<b>Total</b>	<b>17,424.00</b>	<b>1,584.00</b>
<b>Payables account</b>	<b>17,424.00</b>	
<b>Out of balance amount</b>	<b>0.00</b>	

FIGURE 4.43 – Payables reconciliation with tax

Zac's Sporting Goods Shop 11 Midland Shopping Centre Midland WA 6056 9294 1122						
<b>Supplier purchases (detail) report</b>						
01 Jan 2023 - 31 Jan 2023						
Supplier name	Supplier ID		Amount (\$)			
Galaxy Sports	*None					
ID No.	Date	Quantity	Item/Acct	Amount (\$)	Tax code	Status
00001100	30/01/2023	200	CBL	9,000.00	GST	Orders
<b>Total</b>				<b>9,000.00</b>		
<b>Grand total</b>						<b>9,000.00</b>

FIGURE 4.44 – Supplier purchases (orders)

### Supplier purchases (detail) report

01 Jan 2023 - 31 Jan 2023

Supplier name	Supplier ID		Amount (\$)			
Galaxy Sports	*None					
ID No.	Date	Quantity	Item/Acct	Amount (\$)	Tax code	Status
00001087	06/01/2023		4-4000	(149.55)	GST	Closed
00001094	20/01/2023	10	BHP	1,200.00	GST	Closed
00001094	20/01/2023	10	WKT	500.00	GST	Closed
00001096	23/01/2023	-1	BHP	(120.00)	GST	Closed
00001097	24/01/2023	100	CBL	4,500.00	GST	Closed
00001098	27/01/2023		4-4000	(225.00)	GST	Closed
00001098	27/01/2023		4-4000	(1.50)	GST	Closed
00001099	27/01/2023		4-4000	(23.32)	GST	Closed
00001099	27/01/2023		4-4000	(55.95)	GST	Closed
00001099	27/01/2023		4-4000	(3.73)	GST	Closed
<b>Total</b>				<b>5,620.95</b>		
<b>Grand total</b>						<b>5,620.95</b>

FIGURE 4.45 – Supplies purchases (Galaxy Sports)

### Trial balance report

Jan 2023

Account no	Account name	Debit (\$)	Credit (\$)	YTD Debit (\$)	YTD Credit (\$)
1-1110	Business Bank Account		13,644.05		704.05
1-1120	Investment Account	0.00		17,660.00	
1-1130	Petty Cash/Cash on Hand	0.00		150.00	
1-2110	Shop Fittings At Cost	0.00		46,600.00	
1-2120	Accum Depr. Shop Fittings	0.00			13,930.00
2-1140	Accounts Payable		10,084.00		17,424.00
2-1212	GST	2,157.10		1,102.10	
3-1000	Owner's Capital		0.00		48,640.00
3-2000	Owner's Drawings		0.00	12,000.00	
4-1400	Sales Income		0.00		62,255.00
4-1500	Service Income		0.00		490.00
4-4000	Discount Received		459.05		524.05
4-5005	Interest Income		0.00		195.00
5-1000	Cost of Sales	40.00		40.00	
5-2000	Purchases	21,780.00		53,930.00	
5-3000	Freight Expense	210.00		970.00	
5-4000	Packaging	0.00		500.00	
6-1110	Accounting & Bookkeeping	0.00		500.00	
6-1120	Advertising & Marketing	0.00		910.00	
6-1160	Bank Fees & Charges	0.00		135.00	
6-1300	Depreciation Expenses	0.00		3,360.00	
6-1470	Electricity Expenses	0.00		630.00	
6-1500	Insurance Expenses	0.00		4,120.00	
6-4280	Printing, Postage & Stationery	0.00		715.00	
6-4320	Repairs & Maintenance	0.00		350.00	
6-4460	Telephone & Internet	0.00		490.00	
<b>Grand total</b>		<b>24,187.10</b>	<b>24,187.10</b>	<b>144,162.10</b>	<b>144,162.10</b>

FIGURE 4.46 – Trial Balance

## CHAPTER 5 - SALES (ACCOUNTS RECEIVABLE)

In this chapter you will learn how to set up customer cards, enter opening balances, and then record orders, item and service invoices, and receive payments from customers. The dates entered in this chapter range across the month of May and are designed to fit between the purchase transactions you recorded for Carry On Camping in the previous chapter.

To open the Carry On Camping data file select it from the list displayed in 'My businesses' when you either 'Switch business' or log into the MYOB app.

### Set up Customer Cards and Enter Opening Balances

Customers can be setup while creating an invoice, but it is easier to setup the existing customers in table 5.1 using **Create contact** on the **Contacts** menu.

#### Customer Cards

<i>Contact type</i>	Customer	Customer	Customer	Customer
<i>Designation</i>	Company	Company	Company	Company
<i>Company name</i>	Police Supply Dept	Outback Touring Company	Scout Shop	Cash Sales
<i>Address</i>	GPO Box 1360 Perth WA 6001	205 Lakeside Drive Joondalup WA 6027	79 James Street Northbridge WA 6003	
<i>Phone</i>	9328 6688	9301 1799	9321 2804	
<i>Contact person</i>	Ian Aldridge	Fred Murray	Jason Gray	
<i>Terms</i>	Net 30 days	Net 30 days	5% 10/net 30 days	C.O.D.

**TABLE 5.1 - Customer card information**

You are only required to setup the details and billing address for customers. You can add a shipping address, particularly important if it is different from the billing address. If it is the same as the billing address simply tick the box,  Same as billing address.

Check your screen against figure 5.1 before *clicking* [Save] and setting up the other three customers. The purpose of the generic 'Cash Sales' customer is to provide a means of recording sales when the customer's name is not known, they paid for the goods at the time of purchase, and/or they may not buy from you again. The credits terms for this customer are always C.O.D. (Cash on delivery).

**Note:** There is provision to enter an ABN for customers, but this information is not essential as it has no bearing on whether you charge them GST. If you are registered for GST, you must include GST on the invoice. The withholding tax requirement that applies to suppliers does not apply to customers.

**FIGURE 5.1 – Create customer contact**

When you have finished creating the customers you should have a list of customer contacts that looks the same as figure 5.2.

Name	Contact ID	Type	Phone number	Email	Balance due (\$)	Overdue (\$)
Cash Sales	*None	Customer			0.00	0.00
Outback Touring Company	*None	Customer	9301 1799		0.00	0.00
Police Supply Dept	*None	Customer	9328 6688		0.00	0.00
Scout Shop	*None	Customer	9321 2804		0.00	0.00

**FIGURE 5.2 - Contacts**

Go to the **Sales** menu and *select* **Create invoice**.

**Customer Historical Sales**

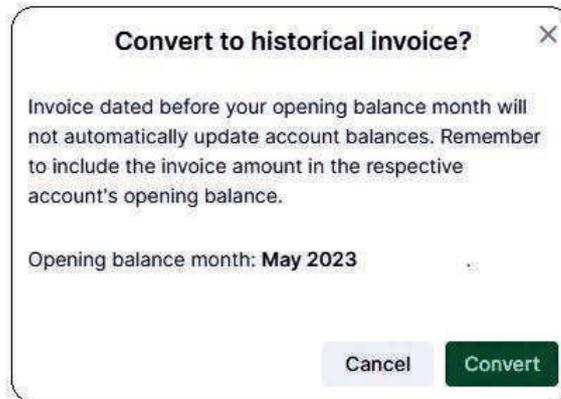
Name	Invoice No.	Issue date	Amount including Tax
Police Supply Dept	2113	3/04/202_	\$385
Scout Shop	2210	29/04/202_	\$1,670
Outback Touring Company	2185	17/04/202_	\$2,075
Outback Touring Company	2202	26/04/202_	\$3,115

**TABLE 5.2 - Customer historical sales information**

This is how to enter the historical sales:

Customer: **Police Supply Dept**  
Invoice number: **2113**  
Customer PO no: Leave blank.  
Issue date: **3/04/202\_**

When you enter this date, the message shown in figure 5.3 will appear. *Click* [Convert].



**FIGURE 5.3 – Convert to historical invoice?**

Amount: **385**  
Tax code: **GST**

Check that the due date is 30 days after issue and your screen should look the same as figure 5.4.

**FIGURE 5.4 – Create historical invoice**

*Click* [Save], then [Cancel] or [Go back] at the next window to return to the ‘invoices’ window where you can create the next historical invoice. The ‘Invoices’ window should then look the same as figure 5.5 and the balance due amount of \$7,245.00 agrees with the opening balance figure entered in the accounts receivable account.

Invoices									
Customer: All					TOTAL AMOUNT	BALANCE DUE	OVERDUE		
					\$7,245.00	\$7,245.00	\$0.00		
Status:	Period:	Date from:	Date to:	Search:					
All	Custom	01/07/2022	31/05/2023	Q					
Reset									
<input type="checkbox"/>	Issue date #	Invoice no #	Customer #	PO number #	Amount (\$)	Balance due (\$)	Due date	Status	Activity
<input type="checkbox"/>	28/04/2023	2210	Scout Shop	-	1,670.00	1,670.00	29/05/2023	Open	
<input type="checkbox"/>	26/04/2023	2202	Outback Touring C...	-	3,115.00	3,115.00	26/05/2023	Open	
<input type="checkbox"/>	17/04/2023	2185	Outback Touring C...	-	2,075.00	2,075.00	17/05/2023	Open	
<input type="checkbox"/>	03/04/2023	2113	Police Supply Dept	-	385.00	385.00	03/05/2023	Open	

FIGURE 5.5 – Historical invoices

## Sales Transactions

All credit transactions involving customers, and receipt of money from them, are entered via the Sales menu. This is also used to record the cash sales of items or services. The credit sales equate to the Sales Journal, and the receipts from customers would appear in the Cash Receipts Journal in a manual accounting system.

### Sales Order

Sales orders are probably not as widely used as purchase orders, particularly in small business. Where they are most useful is in a manufacturing business, where sales orders are entered in the system to allow management to plan production according to forward orders. They also serve as a reminder that a customer is waiting for delivery by a specified due date or as soon as possible.

**1/05/202\_ Scout Shop ordered (PO no. 618) 20 x OZtrail Hiker tents for delivery on May 10.**

Select the **Sales** menu and then **Create sales order** on the menu. This option allows us to enter the customers purchase order number and later convert it into an invoice when the goods or services are supplied.

Customer: **Scout Shop**  
Sales order number: **2212**

**Note:** The number currently displayed is the next number in sequence after the final outstanding invoice you recorded as a historical balance. 2212 is the starting number for May transactions.

Customer PO no.: **618**  
Issue date: **1/05/202\_**  
Promised date: **10/05/202\_**  
Status: **Open**  
Amounts are: **☉ Tax exclusive.**  
Item ID: **OZHK2**  
No of units: **20**

The remainder of the line will be completed for you from the information contained on the item card, but if a price is mentioned on the order, you should make sure that the price displayed is correct before recording the transaction as that customer may have been quoted a special price.

FIGURE 5.6 – Create sales order

Click [Save] then [Cancel].

### Item Invoice

When sales orders are not used, sales of items are recorded on an Item Invoice. The layout for this looks much the same as the Item Bill. This layout is used only if you need to issue an invoice that shows quantity x price.

**3/05/202\_ Sold 2 x OZtrail Bungalow tents @ \$480.00 each and 1 x Garmin Fenix 6 Smartwatch @ \$990.00 (prices exclude GST) on credit terms of net 30 days to Outback Touring Company. The invoice total is \$2,167.00 and includes a freight charge of \$20.00 (excluding GST). Their PO No. is 337.**

The layout should be services and items.

Customer: **Outback Touring Company**  
 Invoice no.: Accept the next number provided by MYOB.  
 Customer PO No.: **337**

**Note:** If the customer has not given you a Purchase Order No., then leave this field blank.

Issue date: **3/05/202\_**  
 Due date: MYOB has defaulted to 30 days after issue date. This is correct.  
 Amounts are: **☉ Tax exclusive.**  
 Item ID: **OZB9P**

**Note:** If you do not know what the Item Number is, use the arrow key and a list of items will appear for you to select from. Alternatively, just start typing the number or name.

Description: MYOB completes this field for you. The description can be amended if required by typing additional information or a new description.  
 No of units: **2**  
 Price: MYOB automatically completes this for you from the selling information contained on the item card. If a different price is to be charged type the new price in the field.  
 Amount: Automatically calculated for you. (2 x \$480)  
 Tax code: Completed for you.  
 Item Number: **GFEN6**

No of units: **1**  
 Freight: **20**  
 Notes to customer: Create your own.  
 The Discount (%) column is used for volume or trade discounts only; not early payment discounts, and the Job column is used for job costing which will be covered in a later chapter.

**Create invoice**

Customer\*  
 Outback Teuring Company

Invoice number\* 2213  
 Customer PO number 337  
 Issue date\* 03/09/2023  
 Due date\* 02/06/2023

No ABN provided No open quotes  
 Billing address  
 205 Lakeside Drive  
 Joondalup WA 6027  
 Australia

VISA Mastercard American Express Start getting paid online

Amounts are  Tax inclusive  Tax exclusive

Item ID	Description	Account *	Unit	No of units	Unit price	Discount (%)	Amount (\$)	Job	Tax code *
OZBI	OZtrail Bungalow 9-person tent	4-1400 Sales Ten	Each	2	480.00	0.00	960.00		GST
GFFI	Garmin Fenix 5 Smartwatch	4-1700 Sales Oth	Each	1	990.00	0.00	990.00		GST

Notes to customer  Save as default

Subtotal \$1,950.00  
 Freight (\$) 20.00 GST  
 Tax \$197.00  
 Total \$2,167.00  
 Amount paid (\$) 0.00  
 Balance due \$2,167.00

View PDF Email invoice Save as recurring Prefill from recurring Cancel Save and... Save

FIGURE 5.7 - Item sales invoice

Click [Save] then [Cancel]. At the Invoices window click [Create invoice].

### Service Invoice

Use this layout when there are no inventory items involved in the sale. This business sells and repairs camping equipment. The selling part uses the Item layout; the repairing part uses the Service layout.

**6/05/202\_ Invoice Police Supply Dept for repairs to a tent. The total charge is \$110.00 (including GST). A freight charge of \$11.00 is to be added because the customer wanted it delivered when ready. Purchase order no. 112890. Terms net 30 days.**

Customer: **Police Supply Dept**  
 Invoice no. Accept the next number provided by MYOB.  
 Customer PO No.: **112890**  
 Issue date: **6/05/202\_**  
 Due date: MYOB has worked this out for you.  
 Amounts are: **☉ Tax inclusive.**

Click the purple star symbol and change the layout to ☉ Services.

Description: **Repair one tent**  
 Acct No.: **4-2100**

**Note:** With this layout you must specify which account the amount is to be posted to.

Amount: **110**  
 Tax code: **GST**  
 Freight: **11**

Check your screen against figure 5.8 before you record the transaction.

**FIGURE 5.8 - Services sales invoice**

Click [Save] and then [Cancel].

### Receipt from a Customer (with prompt payment discount)

This is a similar process to that used in paying suppliers when there is a prompt payment discount. Work out the discount they are entitled to, just to make sure their calculations are correct. Base your calculations on the total invoice amount or the balance owing on the invoice.

**6/05/202\_     Received and banked a cheque for \$1,586.50 from Scout Shop in payment of outstanding invoices less discount.**

Select **Sales** menu and the **Create invoice payment** option.

- Customer:                                 **Scout Shop**
- Bank account:                         **1-1110 Business Bank Account**
- Description of transaction:         Leave blank – this is optional.
- Reference no:                            Accept the default.
- Date:                                       **6/05/202\_**
- Select the invoice(s) being paid.
- Discount (\$):                           **83.50** (\$1670.00 x 5%)
- Amount received:                       **1586.50**

If you can see that all amounts owing are being paid, then place a  in the box the top of the list of invoices to select them all.

**Record payment from customer**

Customer \*  
Scout Shop

Reference number \* CR000002

Bank account  
1-1110 Business Bank Account

Date \* 05/05/2023

Description of transaction

Show closed invoices

1 invoices selected

Issue date	Invoice number	Status	Balance due (\$)	Discount (\$)	Discounted balance (\$)	Amount received (\$)
29/04/2023	2210	Open	1,670.00	83.50	1,586.50	1,586.50

Total amount received \$1,586.50

Cancel Save

**FIGURE 5.9 – Customer payment with discount**

Click [Save].

To see the three journal entries that MYOB has created for you go to the **Reporting** menu and *select Journal entries*.

1. Recorded the discount allowed and the amount of GST included in the figure.
2. Recorded the payment received.
3. Applied the prompt payment discount against the invoice. (See figure 5.10)

Invoice	06/05/2023	Scout Shop: Discounts on 2210		
Ref no	Account number	Account name	Debit (\$)	Credit (\$)
2215	1-1200	Accounts Receivable		83.50
2215	5-3000	Discount Allowed	75.91	
2215	2-1212	GST	7.59	
Total amount			83.50	83.50

Invoice payment	06/05/2023	Payment: Scout Shop		
Ref no	Account number	Account name	Debit (\$)	Credit (\$)
CR000002	1-1110	Business Bank Account	1,586.50	
CR000002	1-1200	Accounts Receivable		1,586.50
Total amount			1,586.50	1,586.50

Customer return ...	06/05/2023	Scout Shop: Credit from 2215		
Ref no	Account number	Account name	Debit (\$)	Credit (\$)
S:000001	1-1200	Accounts Receivable	83.50	
S:000001	1-1200	Accounts Receivable		83.50
Total amount			83.50	83.50

**FIGURE 5.10 – Customer payment journal entries**

### Convert Sales Order to Invoice

When the goods are ready for pick up or delivery, the sales order is converted into an invoice to send to the customer.

**10/05/202\_** *The 20 tents ordered by the Scout Shop (PO No. 618) are ready and someone has come in to pick them up. Convert sales order no. 2212 into an invoice for \$2,640.00. There are no additional charges to be added. Terms are 5% 10/net 30 days.*

Select **Sales** menu and the **Sales orders** option.

Enter **01/05/202\_** as the issued from date and **31/05/202\_** as the issued to date, and the list shown in figure 5.11 will display.

**Sales orders** Create sales order

Status: All | Customer: All | Issued from: 01/05/2023 | Issued to: 31/05/2023 | Search:  Reset

Total amount \$2,640.00

Issue date	Order number	Customer	Customer PO number	Amount (\$)	Promised date	Status
01/05/2023	2212	Scout Shop	618	2,640.00	10/05/2023	Open

**FIGURE 5.11 – Sales orders**

Click on **Order number 2212** and the order will display as shown in figure 5.12.

**Sales order 2212** Open TOTAL AMOUNT \$2,640.00

Convert to invoice

Customer \*  
Scout Shop

Billing address  
79 James Street  
Northbridge WA 6003  
Australia

Sales order number \* 2212  
Customer PO number 618  
Issue date \* 01/05/2023  
Promised date 10/05/2023  
Status Open  
Amounts are  Tax inclusive  Tax exclusive

Item ID	Description	Account *	Unit	Order qty	Unit price	Discount (%)	Amount (\$) *	Job	Tax code *
0298	02trail Hiker 2-person tent	4-1400 Sales Ten	Each	20	120.00	0.00	2,400.00		GST

Notes to customer

Subtotal \$2,400.00  
Freight (\$) 0.00 GST  
Tax \$240.00  
Total \$2,640.00

Delete Convert to invoice View PDF Cancel Save

**FIGURE 5.12 – Convert to invoice**

There are two alternative places to *click* to convert the sales order into an invoice. You can *click* on which ever one you prefer.

MYOB has converted the order into an invoice.

Complete the invoice as follows:

Invoice no: Accept the next number provided by MYOB.

Customer PO no.: Completed for you.

Issue date: **10/05/202\_**

Due date: Change to 10 days as this customer is entitled to a prompt payment discount.

Amounts are: **☉ Tax exclusive.**

Click on the arrow alongside the field for 'Notes to customer' and *click* **Create note**. Create the note shown in figure 5.13.

**Create note to customer**

Note name\*  
Thank you

Note text\*  
Thank you for your business.

Cancel Save

**FIGURE 5.13 – Create note to customer**

Click [Save] and your invoice should look the same as the one shown in figure 5.14.

**Create invoice**

Customer\*  
Scout Shop

Invoice number\* 2218  
Customer PO number 616  
Issue date\* 10/05/2023  
Due date\* 20/05/2023

No ABN provided  
Billing address  
79 James Street  
Northbridge WA 6003  
Australia

VISA MASTERCARD AMEX Start getting paid online

Amounts are  Tax inclusive  Tax exclusive

Item ID	Description	Account *	Unit	No of units	Unit price	Discount (%)	Amount (\$) *	Job	Tax code *
OZHL	OZtrail Hiker 2-person tent	4-1400 Sales Ten	Each	20	120.00	0.00	2,400.00		GST

Notes to customer  Save as default  
Thank you  
Thank you for your business.

Subtotal \$2,400.00  
Freight (\$) 0.00 GST  
Tax \$240.00  
Total \$2,640.00  
Amount paid (\$) 0.00  
Balance due \$2,640.00

View PDF Email invoice Save as recurring Prefill from recurring Cancel Save and... Save

**FIGURE 5.14 – Invoice created from sales order**

Click [Save].

### More invoices

Now create these invoices:

**15/05/202\_ Invoice issued to Scout Shop for minor repairs to two tents, the charge is \$120.00 (plus GST). Purchase Order No. 626 received from the customer. Terms 5% 10/N30.**

**17/05/202\_ Invoice issued to Police Supply Dept (PO No. 112978) for the following items: 2 x ENEFF; 2 x OZB9P; 2 x OZDS2; 2 x OZHK2 Add a freight charge of \$20.00. (Invoice total \$3,784.00). Terms net 30.**

## Sales order with deposit paid

There may be times when a customer, especially a new customer, is required to pay a deposit prior to the order being packed and shipped, to show good faith.

**20/5/202\_**     **A new customer, Kalbarri General Store, c/- Post Office, Kalbarri WA 6536, has ordered (PO #337) 2 x OZtrail Bungalow tents, 2 x OZtrail Double Burner stoves, 3 x Black Wolf Campsite sleeping bags, and 4 x Engel Eclipse fridge-freezers. The customer will be given terms of net 15 days and was asked to pay a deposit of \$2,000 which they have done by EFT today.**

Create the sales order as before. The customer list will appear showing that this customer is not on the list. Use **Create customer** and create the customer using the information provided.

The sales order does not provide a field in which to record the deposit paid, so that will be recorded using the Banking menu.

Item ID	Description	Account *	Unit	Order qty	Unit price	Discount (%)	Amount (\$) *	Job	Tax code *
OZBI	OZtrail Bungalow 9-person tent	4-1400 Sales Ten	Each	2	480.00	0.00	960.00		GST
OZDI	OZtrail double burner stove	4-1600 Sales Kit	Each	2	140.00	0.00	280.00		GST
BWC	Black Wolf Campsite Sleeping Bag	4-1500 Sales Stn	Each	3	130.00	0.00	390.00		GST
ENEF	Engel Eclipse Fridge-Freezer	4-1600 Sales Kit	Each	4	970.00	0.00	3,880.00		GST

Subtotal: \$5,510.00  
Freight (\$): 0.00 GST  
Tax: \$551.00  
Total: \$6,061.00

FIGURE 5.15 – Create sales order

Click [Save], then go to the **Banking** menu and *select Receive money*.

Normally all transactions that involve customers should be recorded using the Sales menu, but because the deposit cannot be applied against a sales order and there is no invoice yet, the Banking menu is used.

Record the deposit paid as follows:

Bank account:     **1-1110 Business Bank Account**  
Contact:           **Kalbarri General Store**  
Description:       **Deposit paid**  
Reference no.      Accept the number provided.  
Date:               **20/05/202\_**  
Amounts are:      It does not matter which radio is selected as the tax code will be N-T.  
Account:           **2-1538 Customer Deposits**  
Amount:            **2000**

**Create receive money transaction**

Bank account \*  
1-1110 Business Bank Account

Contact (payer)  
Kalbarri General Store

Description of transaction  
Deposit paid

Reference number \* CR000003

Date \* 20/05/2023

Amounts are  Tax inclusive  
 Tax exclusive

Account *	Amount (\$) *	Quantity	Description	Job	Tax code *
2-1538 Customer Deposits	2,000.00				N-T

Subtotal \$2,000.00  
Tax \$0.00  
Total \$2,000.00

Save as recurring Prefill from recurring Cancel Record and new Record

**FIGURE 5.16 – Deposit paid by customer**

The sales order has no direct effect on the financial records, but the money received from the customer does. Note the account it is posted to. *Click* [Record].

### Cash Sales

When a customer pays for the goods at the time of purchase, and there is no reason to set up a card for them, use the Cash Sales customer to record the sale. The sales invoice layouts are not available in the Banking module; therefore, you must use the Sales menu.

**23/05/202\_** *A customer came into the store and purchased a Black Wolf Campsite sleeping bag (\$135.00 including GST) and a single airbed (\$55.00 including GST) which she paid for using EFTPOS.*

Customer: **Cash Sales**  
 Invoice No.: Accept next number in sequence.  
 Issue date: **23/05/202\_**  
 Due date: **Cash on delivery**  
 Amounts are: **☉ Tax inclusive.**  
 Item ID: **BWCSB**  
 No of units: **1**  
 Unit price: **135** (This is not the item list price, type the figure into the field.)  
 Item ID: **AIRBS**  
 No of units: **1**  
 Unit price: **55**  
 Amount paid: **190**

*Click* [View PDF], then [Export] at the next window. You will need to *click* on the item that has appeared at bottom left of your screen to see the exported invoice. Figure 5.17 is the top portion of the actual invoice a customer would receive.

When you have viewed the invoice close the tab that it has appeared on and when back at the invoice window *click* [Save].

<b>Carry On Camping</b>						
1800 Albany Highway Meddington WA 6109 Phone: 9459 1999 carryonc@inet.net.au ABN: 62 099 854 074						
<b>Tax invoice</b>			Invoice number	Issue date	Due date	
			2220	23/05/2023	C.O.D.	
Bill to						
Cash Sales						
Item ID	Description	Units	Unit price (\$)	Tax	Amount (\$)	
			including tax		including tax	
BWCSB	Black Wolf Campsite Sleeping Bag	Each	1	135.00 GST	135.00	
AIRBS	Single airbed	Each	1	55.00 GST	55.00	
				Tax	\$17.27	
				Total Amount (inc. tax)	\$190.00	
				Total paid	\$190.00	
				<b>Balance due</b>	<b>\$0.00</b>	

FIGURE 5.17 – Cash sale invoice

If you go to **Journal** entries in the **Reporting** menu, you will see two entries have been created for this invoice. One records the receipt of the money and the other records the sale.

Now create this cash sale invoice:

**25/05/202\_** *Cash sale of 1 x Garmin Fenix 6 Smartwatch for \$1089.00 (including GST). The customer paid by credit card.*

### Convert sales order to invoice (deposit paid)

In the previous conversion there were no additional charges. In this conversion you are adding a freight charge.

**27/05/202\_** *The items ordered by Kalbarri General Store are packed ready for shipping. Convert the sales order into an invoice and add a freight charge of \$100.00. Terms N15.*

Click **Sales orders** on the Sales menu.

Select order number **2219** and click **[Convert to invoice]**.

Issue date: **27/05/202\_**  
 Due date: 15 days from date of invoice  
 Freight: **100**

Your invoice should then look the same as the one shown in figure 5.18.

Note that no amount has been entered in the 'Amount paid' field, either by myself or MYOB. The reason for this, is that entering a figure here would result in the payment being recorded twice.

**Create invoice**

Customer \*  
Kalbarri General Store

No ABN provided

Billing address  
c/- Post Office  
Kalbarri WA 6536  
Australia

Invoice number \* 2222

Customer PO number 337

Issue date \* 27/05/2023

Due date \* 11/06/2023

VISA Start getting paid online

Amounts are  Tax inclusive  Tax exclusive

Item ID	Description	Account *	Unit	No of units	Unit price	Discount (%)	Amount (\$) *	Job	Tax code *
OZBI	OZtrail Bungalow 9-person tent	4-1400 Sales Ten	Each	2	480.00	0.00	960.00		GST
OZDI	OZtrail double burner stove	4-1600 Sales Kitch	Each	2	140.00	0.00	280.00		GST
BWC	Black Wolf Campsite Sleeping Bag	4-1500 Sales Sles	Each	3	130.00	0.00	390.00		GST
ENEF	Engel Eclipse Fridge-Freezer	4-1600 Sales Kitch	Each	4	970.00	0.00	3,880.00		GST

Notes to customer  Save as default

Subtotal \$5,510.00

Freight (\$) 100.00 GST

Tax \$561.00

Total \$6,171.00

Amount paid (\$) 0.00

Balance due \$6,171.00

View PDF Email invoice Save as recurring Prefill from recurring Cancel Save and... Save

FIGURE 5.18 – Invoice for customer who paid a deposit

Click [Save].

The next step is to apply the deposit against this invoice, and this is a bit complicated because the deposit was paid before an invoice was issued and the amount in the 'Customer deposits' has not been automatically transferred from that account to 'Accounts receivable' as might have been expected.

### Adjustment Note (Credit Note) for deposit paid by a customer

The Australian Taxation Office calls them Adjustment Notes and MYOB will print them with this heading. They are issued when a customer returns goods to you, or for some other reason, as is the case here.

There is a two-step process with Adjustment Notes, just as there was with the Supplier's Adjustment Notes. **Select Customer invoice** on the **Sales** menu.

#### Step 1: Record the Adjustment Note

Create a **services** adjustment note for the deposit paid by the customer, as shown in figure 5.19. The amount must be entered as a negative figure.

FIGURE 5.19 – Adjustment note customer deposit

Click [Save] then [Save] at the next message that appears. Click [Cancel].

**Step 2: Apply the adjustment note against the original invoice**

Go to **Customer returns** on the **Sales** menu.

FIGURE 5.20 – Sale returns and credits

Click **Apply** and complete the next window as shown in figure 5.21. Click [Record].

FIGURE 5.21 – Apply customer credit to sale

**Adjustment Note (Credit Note) for goods returned by a customer**

**28/05/202\_** Police Supply Dept has returned the two (2) OZtrail Hiker tents that were originally charged to them on invoice no. 2218. They were not suitable for their intended use. The price charged was \$120.00 each excluding GST.

Select **Create invoice** on the **Sales** menu.

**Step 1: Record the Adjustment Note**

Customer: **Police Supply Dept**  
Invoice No.: Accept the number shown.  
Issue date: **28/05/202\_**  
Amounts are: **☉ Tax exclusive.**  
Item ID: **OZHK2**  
No of units: **- 2** (returns of items must be entered as a negative quantity)

The screenshot shows the 'Create invoice' interface. The customer is 'Police Supply Dept'. The invoice number is 2224, issued on 28/05/2023, with a due date of 27/06/2023. The tax is set to 'Tax exclusive'. A table lists one item: 'OZHK2 OZtrail Hiker 2-person tent' with a unit price of 120.00 and a quantity of -2, resulting in an amount of -240.00. The summary shows a subtotal of -240.00, tax of -24.00, and a total balance due of -264.00.

Item ID	Description	Account	Unit	No of units	Unit price	Discount (%)	Amount (\$)	Job	Tax code
OZHK2	OZtrail Hiker 2-person tent	4-1400 Sales Ten	Each	-2	120.00	0.00	-240.00		GST

Subtotal	-240.00
Freight (\$)	0.00
Tax	-24.00
Total	-264.00
Amount paid (\$)	0.00
Balance due	-264.00

FIGURE 5.22 - Adjustment note for goods returned by customer

Click [Save] then [Save] at the message the appears. Click [Cancel].

**Step 2: Apply the adjustment note against the original invoice**

Go to **Customer returns** on the **Sales** menu. Click **Apply** as you did in the previous transaction and apply the amount against invoice number 2218.

Date: **28/05/202\_**

The screenshot shows the 'Apply customer credit to sale' interface. The customer is 'Police Supply Dept'. The credit amount is 264.00. The description of the transaction is 'Police Supply Dept: Credit from 2224'. A table shows the application of this credit to three invoices: 2113, 2214, and 2218. The total amount applied is 264.00.

Issue date	Invoice number	Status	Balance due (\$)	Discount (\$)	Discounted balance (\$)	Amount applied (\$)
03/04/2023	2113	Open	385.00		385.00	
06/05/2023	2214	Open	121.00		121.00	
17/05/2023	2218	Open	3,784.00		3,784.00	264.00

Total amount applied 264.00

FIGURE 5.23 – Apply customer credit to sale

Click [Record].

## Sale to New Customer (with a volume discount)

You could go to Contacts and create a new customer card, but it really is often easier to create it while you are preparing the invoice. The volume or trade discount column operates in the same way it did in purchases.

**29/05/202\_ Sold 20 x Oztrail Bungalow 9-person tents @ \$480.00 (excluding GST) each less 7.5% volume discount, on credit terms of net 15 days to a new customer – Woodbridge Primary School of 10 Archer Street, Midland WA 6056, phone no. 9267 7777. (PO No. 3789)**

Select **Create invoice** on the **Sales** menu.

Customer: **Woodbridge Primary School**

When the customer list appears, use **Create customer** and set up the customer's card using the information provided. Then complete the invoice as shown in figure 5.24, using the Discount (%) column to reduce the total cost by the 7.5% volume discount.

The screenshot shows the 'Create invoice' interface. At the top, the customer is 'Woodbridge Primary School' with a billing address of '10 Archer Street, Midland WA 6056, Australia'. The invoice number is 2275, and the customer PO number is 3789. The issue date is 29/05/2023, and the due date is 13/06/2023. There are payment icons for VISA, Mastercard, and others. The 'Amounts are' section has 'Tax exclusive' selected. Below this is a table with columns: Item ID, Description, Account, Unit, No of units, Unit price, Discount (%), Amount (\$), Job, and Tax code. One item is listed: 'Oztrail Bungalow 9-person tent' with 20 units, a unit price of 480.00, a discount of 7.50, and an amount of 8,880.00. The tax code is GST. At the bottom right, a summary shows: Subtotal \$8,880.00, Freight \$0.00, Tax \$888.00, Total \$9,768.00, and Balance due \$9,768.00. Buttons at the bottom include 'View PDF', 'Email invoice', 'Save as recurring', 'Prefill from recurring', 'Cancel', 'Save and...', and 'Save'.

FIGURE 5.24 - Sale with volume discount

Click [Save] and then [Cancel].

## Part Payment Received from Customer

Customers do not always send a remittance advice with their cheque; they simply send a cheque (usually for a rounded amount) as part payment of the total amount owing. You then do not know which invoices they are paying. When this happens, the amount should always be applied against the oldest invoices first until all the money is used up.

**29/05/202\_ Received and banked a cheque for \$4,000.00 from Outback Touring Company in part payment of the amounts owing by them.**

Select **Sales** menu and the **Create invoice payment** option.

Customer: **Outback Touring Company**

Bank account: **1-1110 Business Cheque Account**

Description: **Part payment**

Reference no.: Accept the default unless the company issues receipts and wants the receipt number recorded in this field.

Date: **29/05/202\_**

Click in the **Amount received** column alongside the oldest amount listed to apply portion of the total amount received. Then enter the remainder, or some portion of the remainder, against the next oldest and so on until the amount received has been used up. See figure 5.25. If the customer has provided a remittance advice with details of which invoice(s) they are paying, then you apply the amount received based on that.

The screenshot shows a 'Record payment from customer' form. At the top, there are fields for Customer\* (Outback Touring Company), Reference number\* (CRO00006), Bank account (1-1110 Business Bank Account), and Date\* (29/05/2023). The Description of transaction is 'Part payment'. Below this is a table of selected invoices:

Issue date	Invoice number	Status	Balance due (\$)	Discount (\$)	Discounted balance (\$)	Amount received (\$)
03/05/2023	2213	Open	2,167.00		2,167.00	
28/04/2023	2202	Open	3,115.00		3,115.00	1,925.00
17/04/2023	2185	Open	2,075.00		2,075.00	2,075.00

Total amount received: \$4,000.00

FIGURE 5.25– Part payment of invoices

Click [Save].

## Reports

Print or display the following reports for May 202\_.

### Sales register

Click **Reporting > Reports > Sales > Sales register**.

From **1/05/202\_** to **31/05/202\_**.

Carry On Camping  
1800 Albany Highway  
Maddington WA 6109  
9459 1999

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**Sales register report**  
01 May 2023 - 31 May 2023

Date	Invoice No.	Customer PO No.	Customer name	Total amount (\$)	Amount due (\$)	Status
03/05/2023	2213	337	Outback Touring Company	2,167.00	2,167.00	Open
06/05/2023	2214	112890	Police Supply Dept	121.00	121.00	Open
06/05/2023	2215		Scout Shop	(83.50)	0.00	Closed
10/05/2023	2216	618	Scout Shop	2,640.00	2,640.00	Open
15/05/2023	2217	626	Scout Shop	132.00	132.00	Open
17/05/2023	2218	112978	Police Supply Dept	3,784.00	3,520.00	Open
23/05/2023	2220		Cash Sales	190.00	0.00	Closed
25/05/2023	2221		Cash Sales	1,089.00	0.00	Closed
27/05/2023	2222	337	Kalbarri General Store	6,171.00	4,171.00	Open
27/05/2023	2223		Kalbarri General Store	(2,000.00)	0.00	Closed
28/05/2023	2224		Police Supply Dept	(264.00)	0.00	Closed
29/05/2023	2225	3789	Woodbridge Primary School	9,768.00	9,768.00	Open
<b>Total</b>				<b>23,714.50</b>	<b>22,519.00</b>	

FIGURE 5.26 – Sales register

## Item sales

Click Reporting > Reports > Sales > Item Sales.

From 1/05/202\_ to 31/05/202\_.

Expand the report.

Item number	Item name	Quantity	Amount (\$)			
Carry On Camping 1800 Albany Highway Maddington WA 6109 9459 1999						
<b>Item sales report</b> 01 May 2023 - 31 May 2023						
<b>AIRBS</b>	<b>Airbed</b>					
<b>Customer name</b>	<b>Customer number</b>	<b>Transaction date</b>	<b>Quantity</b>	<b>Amount (\$)</b>	<b>Transaction type</b>	<b>Promised date</b>
Cash Sales	2220	23/05/2023	1	50.00	Closed	
<b>Total</b>			<b>1</b>	<b>50.00</b>		
<b>OZB9P</b>	<b>Bungalow Tent</b>					
<b>Customer name</b>	<b>Customer number</b>	<b>Transaction date</b>	<b>Quantity</b>	<b>Amount (\$)</b>	<b>Transaction type</b>	<b>Promised date</b>
Kalbarri General Store	2222	27/05/2023	2	960.00	Open	
Outback Touring Company	2213	03/05/2023	2	960.00	Open	
Police Supply Dept	2218	17/05/2023	2	960.00	Open	
Woodbridge Primary School	2225	29/05/2023	20	8,880.00	Open	
<b>Total</b>			<b>26</b>	<b>11,760.00</b>		
<b>ENEFF</b>	<b>Fridge-Freezer</b>					
<b>Customer name</b>	<b>Customer number</b>	<b>Transaction date</b>	<b>Quantity</b>	<b>Amount (\$)</b>	<b>Transaction type</b>	<b>Promised date</b>
Kalbarri General Store	2222	27/05/2023	4	3,880.00	Open	
Police Supply Dept	2218	17/05/2023	2	1,940.00	Open	
<b>Total</b>			<b>6</b>	<b>5,820.00</b>		
<b>OZHK2</b>	<b>Hiker Tent</b>					
<b>Customer name</b>	<b>Customer number</b>	<b>Transaction date</b>	<b>Quantity</b>	<b>Amount (\$)</b>	<b>Transaction type</b>	<b>Promised date</b>
Police Supply Dept	2218	17/05/2023	2	240.00	Open	
Police Supply Dept	2224	28/05/2023	-2	(240.00)	Closed	
Scout Shop	2216	10/05/2023	20	2,400.00	Open	
<b>Total</b>			<b>20</b>	<b>2,400.00</b>		
<b>BWCSB</b>	<b>Sleeping Bag</b>					
<b>Customer name</b>	<b>Customer number</b>	<b>Transaction date</b>	<b>Quantity</b>	<b>Amount (\$)</b>	<b>Transaction type</b>	<b>Promised date</b>
Cash Sales	2220	23/05/2023	1	122.73	Closed	
Kalbarri General Store	2222	27/05/2023	3	390.00	Open	
<b>Total</b>			<b>4</b>	<b>512.73</b>		
<b>GFEN6</b>	<b>Smartwatch</b>					
<b>Customer name</b>	<b>Customer number</b>	<b>Transaction date</b>	<b>Quantity</b>	<b>Amount (\$)</b>	<b>Transaction type</b>	<b>Promised date</b>
Cash Sales	2221	25/05/2023	1	990.00	Closed	
Outback Touring Company	2213	03/05/2023	1	990.00	Open	
<b>Total</b>			<b>2</b>	<b>1,980.00</b>		
<b>OZD52</b>	<b>Stove</b>					
<b>Customer name</b>	<b>Customer number</b>	<b>Transaction date</b>	<b>Quantity</b>	<b>Amount (\$)</b>	<b>Transaction type</b>	<b>Promised date</b>
Kalbarri General Store	2222	27/05/2023	2	280.00	Open	
Police Supply Dept	2218	17/05/2023	2	280.00	Open	
<b>Total</b>			<b>4</b>	<b>560.00</b>		
<b>Grand total</b>			<b>63</b>			<b>23,082.73</b>

FIGURE 5.27 – Item sales

## Customer sales

Click Reporting > Reports > Sales > Customer sales.

From 1/05/202\_ to 31/05/202\_.

Carry On Camping 1800 Albany Highway Maddington WA 6109 9459 1999				
<b>Customer sales report</b>				
01 May 2023 - 31 May 2023				
Customer name	Customer number	Sale amount (\$)	Tax (\$)	Current balance (\$)
Cash Sales	*None	1,162.73	116.27	0.00
Kalbarri General Store	*None	3,510.00	561.00	4,171.00
Outback Touring Company	*None	1,950.00	197.00	2,167.00
Police Supply Dept	*None	3,280.00	331.00	3,641.00
Scout Shop	*None	2,444.09	244.41	2,772.00
Woodbridge Primary School	*None	8,880.00	888.00	9,768.00
<b>Grand total</b>		<b>21,226.82</b>	<b>2,337.68</b>	<b>22,519.00</b>

FIGURE 5.28 – Customer sales

## GST report

Click Reporting > Reports > Business > GST report.

From 1/05/202\_ to 31/05/202\_ and  Accrual.

Carry On Camping 1800 Albany Highway Maddington WA 6109 9459 1999					
<b>GST report</b>					
Accrual mode					
01 May 2023 - 31 May 2023					
<b>Sales and income</b>					
Code	Description	Rate (%)	Tax Inclusive (\$)	Tax Exclusive (\$)	Tax Collected (\$)
N-T	Not Reportable	0	(5,463.00)	(5,463.00)	0.00
GST	Goods & Services Tax	10	31,420.10	28,563.73	2,856.37
<b>Total sales and income</b>			<b>25,957.10</b>	<b>23,100.73</b>	<b>2,856.37</b>
<b>Purchases and expenses</b>					
Code	Description	Rate (%)	Tax Inclusive (\$)	Tax Exclusive (\$)	Tax paid (\$)
N-T	Not Reportable	0	(17,013.00)	(17,013.00)	0.00
CAP	Capital Acquisitions	10	19,900.00	18,090.91	1,809.09
GST	Goods & Services Tax	10	14,827.50	13,479.55	1,347.95
<b>Total purchases and expenses</b>			<b>17,714.50</b>	<b>14,557.46</b>	<b>3,157.04</b>
<b>Net total</b>			<b>8,242.60</b>	<b>8,543.27</b>	<b>(300.67)</b>

FIGURE 5.29 – GST report

## Unpaid invoices

Click Reporting > Reports > Sales > Unpaid invoices.

As at 31/05/202\_.

Expand the report.

Customer name		Customer number	0 - 30	31 - 60	61 - 90	90+	Total due (\$)
Kalbarri General Store		*None	4,171.00	0.00	0.00	0.00	
Reference number	Transaction date		0 - 30	31 - 60	61 - 90	90+	Total due (\$)
2222	27/05/2023		4,171.00	0.00	0.00	0.00	4,171.00
<b>Total</b>			<b>4,171.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4,171.00</b>
<b>Ageing percent</b>			<b>100.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	
Outback Touring Company		*None	2,167.00	1,190.00	0.00	0.00	
Reference number	Transaction date		0 - 30	31 - 60	61 - 90	90+	Total due (\$)
2202	26/04/2023		0.00	1,190.00	0.00	0.00	1,190.00
2213	03/05/2023		2,167.00	0.00	0.00	0.00	2,167.00
<b>Total</b>			<b>2,167.00</b>	<b>1,190.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3,357.00</b>
<b>Ageing percent</b>			<b>64.55%</b>	<b>35.45%</b>	<b>0.00%</b>	<b>0.00%</b>	
Police Supply Dept		*None	3,641.00	385.00	0.00	0.00	
Reference number	Transaction date		0 - 30	31 - 60	61 - 90	90+	Total due (\$)
2113	03/04/2023		0.00	385.00	0.00	0.00	385.00
2214	06/05/2023		121.00	0.00	0.00	0.00	121.00
2218	17/05/2023		3,520.00	0.00	0.00	0.00	3,520.00
<b>Total</b>			<b>3,641.00</b>	<b>385.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4,026.00</b>
<b>Ageing percent</b>			<b>90.44%</b>	<b>9.56%</b>	<b>0.00%</b>	<b>0.00%</b>	
Scout Shop		*None	2,772.00	0.00	0.00	0.00	
Reference number	Transaction date		0 - 30	31 - 60	61 - 90	90+	Total due (\$)
2216	10/05/2023		2,640.00	0.00	0.00	0.00	2,640.00
2217	15/05/2023		132.00	0.00	0.00	0.00	132.00
<b>Total</b>			<b>2,772.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,772.00</b>
<b>Ageing percent</b>			<b>100.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	
Woodbridge Primary School		*None	9,768.00	0.00	0.00	0.00	
Reference number	Transaction date		0 - 30	31 - 60	61 - 90	90+	Total due (\$)
2225	29/05/2023		9,768.00	0.00	0.00	0.00	9,768.00
<b>Total</b>			<b>9,768.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>9,768.00</b>
<b>Ageing percent</b>			<b>100.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	
<b>Grand total</b>			<b>22,519.00</b>	<b>1,575.00</b>	<b>0.00</b>	<b>0.00</b>	<b>24,094.00</b>

FIGURE 5.30 – Unpaid invoices

## Trial Balance

Click Reporting > Reports > Business > Trial Balance.

Report as of May 202\_.

## Trial balance report

May 2023

Account no	Account name	Debit (\$)	Credit (\$)	YTD Debit (\$)	YTD Credit (\$)
1-1110	Business Bank Account	4,142.60		37,757.60	
1-1120	Business Investment Account	0.00		5,000.00	
1-1121	Petty Cash/Cash on Hand	0.00		100.00	
1-1200	Accounts Receivable	16,849.00		24,094.00	
1-1201	Less Prov'n for Doubtful Debts	130.00			145.00
1-1300	Inventory	0.00		10,700.00	
1-1310	Prepaid Insurance		446.00	444.00	
1-2110	Furniture & Equipment At Cost	0.00		8,400.00	
1-2120	Accum. Depr. Furniture & Equipment		105.00		4,515.00
1-2210	Improvements At Cost	0.00		5,000.00	
1-2220	Accum. Depr. Improvements		117.00		3,947.00
1-2310	Motor Vehicles At Cost	1,190.91		18,090.91	
1-2320	Accum. Depr. Motor Vehicles	11,563.11			376.89
2-1110	Visa		0.00		1,465.00
2-1140	Accounts Payable		9,899.00		15,239.00
2-1212	GST	300.67			3,309.33
2-1350	PAYG Withholding Payable		0.00		2,635.00
2-1355	Superannuation Payable		0.00		477.00
2-1360	Wages & Salaries Payable	1,003.00			0.00
2-2105	Business Loan		14,400.00		14,400.00
3-1000	Owner's Capital		0.00		52,495.00
3-2000	Owner's Drawings		0.00	22,700.00	
4-1400	Sales Tents		14,160.00		123,060.00
4-1500	Sales Sleeping Equipment		562.73		17,362.73
4-1600	Sales Kitchen Equipment		6,380.00		55,130.00
4-1700	Sales Other		1,980.00		61,760.00
4-2100	Service Income		220.00		3,220.00
4-2200	Freight Income		150.00		1,350.00
4-2300	Discount Received		111.00		411.00
4-5000	Profit on sale of asset		40.00		40.00
5-1400	Cost of Sales Tents	2,650.00		41,050.00	
5-1500	Cost of Sales Sleeping Equipment	1,873.64		10,033.64	
5-1600	Cost of Sales Kitchen Equipment	2,520.00		28,920.00	
5-1700	Cost of Sales Other	2,660.00		31,460.00	
5-2000	Freight Costs	200.00		750.00	
5-3000	Discount Allowed	75.91		325.91	
6-1110	Accounting & Bookkeeping	0.00		900.00	
6-1120	Advertising & Marketing	0.00		4,500.00	
6-1150	Bad Debts		130.00		130.00
6-1160	Bank Fees & Charges	0.00		200.00	
6-1250	Depreciation Expenses	598.89		3,968.89	
6-1300	Electricity Expenses	0.00		1,775.00	
6-1500	Insurance Expenses	446.00		4,896.00	
6-1700	Motor Vehicle Expenses	0.00		4,200.00	
6-4100	Payroll - Wages & Salaries		1,003.00	52,919.00	
6-4200	Payroll- Superannuation	0.00		5,123.00	
6-4280	Postage & Stationery	0.00		370.00	
6-4300	Rent Expense	3,500.00		33,500.00	
6-4320	Repairs & Maintenance	0.00		1,160.00	
6-4400	Staff Amenities	0.00		210.00	
6-4460	Telephone & Internet	0.00		2,920.00	
<b>Grand total</b>		<b>49,703.73</b>	<b>49,703.73</b>	<b>361,467.95</b>	<b>361,467.95</b>
<b>Net profit</b>			<b>10,212.29</b>		<b>33,282.29</b>

FIGURE 5.31 - Trial Balance

## REVISION EXERCISE 1 (Service business)

Spring Clean is a small service business owned by Julie French who is a sole trader. The business is registered for GST and all prices quoted are GST inclusive unless otherwise stated.

You are required to:

- Create a new MYOB data file.
- Make changes to the Chart of accounts (add, edit & delete).
- Enter opening General Ledger balances.
- Setup Customer cards and enter opening balances.
- Record a variety of transactions for the month.
- Print or display reports for the month.

### *Create a new data file*

Business name: **Spring Clean**  
ABN: **70 229 800 033**  
Address: **15 Albert Street**  
**North Perth WA 6006**  
Phone: **9328 2322**  
Current financial year: **202\_**  
Last month of financial year: **June**  
Opening balance date: **October**  
Industry: **Administrative and support services**

### *Chart of Accounts*

#### **Add accounts**

Account No.	Account Name	Level	Tax Code
1-2120	Accum. Depr. Plant & Equipment	Detail	N-T
1-2210	Motor Vehicles at cost	Detail	CAP
1-2220	Accum. Depr. Motor Vehicles	Detail	N-T
5-3000	Discount Given	Detail	GST

**TABLE 5.3 – Add accounts**

#### **Edit accounts**

Account No.	Old Name	New Name	Level	Tax Code
1-1110	Bank Account 1	Business Bank Account	Detail	N-T
1-1120	Bank Account 2	Petty Cash/Cash on Hand	Detail	N-T
1-2110	Equipment, Furniture & Vehicles	Plant & Equipment at cost	Detail	CAP
3-1000	Personal Income	Owner's Capital	Detail	N-T
3-2000	Personal Expenses	Owner's Drawings	Detail	N-T
4-1400	Sales	Services Income	Detail	GST
4-5005	Other Income	Stock Income	Detail	GST
5-2000	Purchases	Stock Purchases	Detail	GST
6-1640	Merchant Fees	Insurance Expenses	Detail	GST

**TABLE 5.4– Edit accounts**

## Enter opening balances

Spring Clean 15 Albert Street North Perth WA 6006 9328 2322			
<b>Trial balance report</b>			
Sep 2022			
Account no	Account name	Debit (\$)	Credit (\$)
1-1110	Business Bank Account	10,780.00	
1-1120	Petty Cash/Cash on Hand	100.00	
1-1200	Accounts Receivable	5,215.00	
1-2110	Plant & Equipment at cost	14,190.00	
1-2120	Accum. Depr. Plant & Equipment		8,890.00
1-2210	Motor Vehicles at cost	18,900.00	
1-2220	Accum. Depr. Motor Vehicles		4,290.00
2-1212	GST		1,420.00
3-1000	Owner's Capital		28,440.00
3-2000	Owner's Drawings	6,000.00	
4-1400	Services Income		16,260.00
4-5005	Stock Income		190.00
5-2000	Stock Purchases	165.00	
5-3000	Discount Given	260.00	
6-1160	Bank Fees & Charges	30.00	
6-1640	Insurance Expenses	1,800.00	
6-1700	Motor Vehicle Expenses	1,200.00	
6-3015	Other Business Expenses	70.00	
6-4280	Printing & Stationery	120.00	
6-4320	Repairs & Maintenance	370.00	
6-4460	Telephone & Internet	290.00	
<b>Grand total</b>		<b>59,490.00</b>	<b>59,490.00</b>

FIGURE 5.32 – Opening balances

## Setup customers

<i>Contact type</i>	Customer	Customer	Customer	Customer
<i>Designation</i>	Company	Company	Company	Company
<i>Name</i>	Highgate Primary School	Barclay Accounting	TJ Auctioneers	Cash Sales
<i>Address</i>	73 Harold Street Highgate WA 6003	22 Bulwer Street North Perth WA 6006	726 Lake Street Northbridge WA 6003	
<i>Phone</i>	9328 3725	9242 3155	9328 7461	
<i>Contact person</i>	Felicity Green	Graham Smith	Ann Brown	
<i>Sale layout</i>	Service	Service	Service	Service
<i>Customer terms</i>	5% 10/Net 30	Net 30 days	Net 30 days	C.O.D.

TABLE 5.5 – Customer information

## Enter customer opening balances

Customer	Inv. No.	Date	Total	Tax Code
Highgate Primary School	1127	29/09/202_	\$4,400.00	GST
Barclay Accounting	1109	31/08/202_	\$550.00	GST
TJ Auctioneers	1123	22/09/202_	\$265.00	GST

TABLE 5.6 – Customer opening balances

## Linked accounts

- I give discounts for early payment – 5-3000 Discount Given

## ***Transactions***

2/10/202_	Received and banked a cheque for \$550.00 from Barclay Accounting.
4/10/202_	Cleaned a private home and charged them \$99 for the cleaning and \$11.00 for some air fresheners (stock income) that were replaced. The customer paid in cash which was banked today. Record as cash sale invoice no. 1130.
7/10/202_	Cleaned the offices of Barclay Accounting and charged them \$330.00.
8/10/202_	Received and banked a cheque for \$4,180.00 from Highgate Primary School.
9/10/202_	Cleaned a private home and charged them \$132.00 for the cleaning. The customer paid with a cheque which was banked today.
14/10/202_	Cleaned the auction rooms for TJ Auctioneers and invoiced them \$396.00 for cleaning and \$30.80 for cleaning liquid for the kitchen and air fresheners for the toilets.
16/10/202_	Cleaned the offices for Fenchurch Lawyers (a new customer) of 75 Harold Street, Highgate WA 6003. Allowed them credit terms of net 7 days and charged them \$475.00 for cleaning.
18/10/202_	Received and banked a cheque for \$265.00 from TJ Auctioneers.
21/10/202_	Received a complaint from Fenchurch Lawyers that they had been overcharged \$100 as the agreed price was \$375.00 per clean. Issue an adjustment note for the overcharge.
22/10/202_	Cleaned the offices of Barclay Accounting and charged them \$330.00 for the cleaning and \$9.90 for replacement toilet cleaners.
23/10/202_	Cleaned a private home and charged them \$165.00 for the cleaning. The customer paid in cash which was banked today.
28/10/202_	Cleaned the auction rooms for TJ Auctioneers and invoiced them \$396.00.
29/10/202_	Received and banked a cheque for \$375.00 from Fenchurch Lawyers.
30/10/202_	Cleaned the office for Fenchurch Lawyers and charged them \$375.00 for the cleaning.
31/10/202_	Invoiced Highgate Primary School \$4,400.00 for cleaning services provided at the school for the month.

Print or display the following reports for October:

- Sales – Unpaid invoices
- Sales – Customer sales
- Business – Journal entries
  - Filter to display 'invoice' and 'customer return applied' transactions only.

### Unpaid invoices report

31 Oct 2022

Customer name	Customer number	0 - 30	31 - 60	61 - 90	90+	Total due (\$)
Barclay Accounting	*None	669.90	0.00	0.00	0.00	669.90
Fenchurch Lawyers	*None	375.00	0.00	0.00	0.00	375.00
Highgate Primary School	*None	4,400.00	0.00	0.00	0.00	4,400.00
TJ Auctioneers	*None	822.80	0.00	0.00	0.00	822.80
<b>Grand total</b>		<b>6,267.70</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6,267.70</b>

FIGURE 5.33 – Unpaid invoices (Aged Receivables)

### Customer sales report

01 Oct 2022 - 31 Oct 2022

Customer name	Customer number	Sale amount (\$)	Tax (\$)	Current balance (\$)		
<b>Barclay Accounting</b>	<b>*None</b>					
<b>Reference number</b>	<b>Transaction date</b>	<b>Sale amount (\$)</b>	<b>Tax (\$)</b>	<b>Current balance (\$)</b>	<b>Status</b>	<b>Due date</b>
1131	07/10/2022	300.00	30.00	330.00	Open	06/11/2022
1137	22/10/2022	309.00	30.90	339.90	Open	21/11/2022
<b>Total</b>		<b>609.00</b>	<b>60.90</b>	<b>669.90</b>		
<b>Cash Sales</b>	<b>*None</b>					
<b>Reference number</b>	<b>Transaction date</b>	<b>Sale amount (\$)</b>	<b>Tax (\$)</b>	<b>Current balance (\$)</b>	<b>Status</b>	<b>Due date</b>
1130	04/10/2022	100.00	10.00	0.00	Closed	
1133	09/10/2022	120.00	12.00	0.00	Closed	
1138	23/10/2022	150.00	15.00	0.00	Closed	
<b>Total</b>		<b>370.00</b>	<b>37.00</b>	<b>0.00</b>		
<b>Fenchurch Lawyers</b>	<b>*None</b>					
<b>Reference number</b>	<b>Transaction date</b>	<b>Sale amount (\$)</b>	<b>Tax (\$)</b>	<b>Current balance (\$)</b>	<b>Status</b>	<b>Due date</b>
1135	16/10/2022	431.82	43.18	0.00	Closed	
1136	21/10/2022	(90.91)	(9.09)	0.00	Closed	
1140	30/10/2022	340.91	34.09	375.00	Open	29/11/2022
<b>Total</b>		<b>681.82</b>	<b>68.18</b>	<b>375.00</b>		
<b>Highgate Primary School</b>	<b>*None</b>					
<b>Reference number</b>	<b>Transaction date</b>	<b>Sale amount (\$)</b>	<b>Tax (\$)</b>	<b>Current balance (\$)</b>	<b>Status</b>	<b>Due date</b>
1132	08/10/2022	(200.00)	(20.00)	0.00	Closed	
1141	31/10/2022	4,000.00	400.00	4,400.00	Open	10/11/2022
<b>Total</b>		<b>3,800.00</b>	<b>380.00</b>	<b>4,400.00</b>		
<b>TJ Auctioneers</b>	<b>*None</b>					
<b>Reference number</b>	<b>Transaction date</b>	<b>Sale amount (\$)</b>	<b>Tax (\$)</b>	<b>Current balance (\$)</b>	<b>Status</b>	<b>Due date</b>
1134	14/10/2022	388.00	38.80	426.80	Open	13/11/2022
1139	28/10/2022	360.00	36.00	396.00	Open	27/11/2022
<b>Total</b>		<b>748.00</b>	<b>74.80</b>	<b>822.80</b>		
<b>Grand total</b>			<b>6,208.82</b>	<b>620.88</b>		<b>6,267.70</b>

FIGURE 5.34 – Sales [Customer Summary]

## Journal entries report

01 Oct 2022 - 31 Oct 2022

Transaction type	Issue date	Description	Debit (\$)	Credit (\$)
<b>Invoice</b>	<b>04/10/2022</b>	<b>Sale; Cash Sales</b>		
<b>Ref no</b>	<b>Account number</b>	<b>Account name</b>	<b>Debit (\$)</b>	<b>Credit (\$)</b>
1130	1-1200	Accounts Receivable	110.00	
1130	4-1400	Services Income		90.00
1130	4-5005	Stock Income		10.00
1130	2-1212	GST		10.00
<b>Total amount</b>			<b>110.00</b>	<b>110.00</b>
<b>Invoice</b>	<b>07/10/2022</b>	<b>Sale; Barclay Accounting</b>		
<b>Ref no</b>	<b>Account number</b>	<b>Account name</b>	<b>Debit (\$)</b>	<b>Credit (\$)</b>
1131	1-1200	Accounts Receivable	330.00	
1131	4-1400	Services Income		300.00
1131	2-1212	GST		30.00
<b>Total amount</b>			<b>330.00</b>	<b>330.00</b>
<b>Invoice</b>	<b>08/10/2022</b>	<b>Highgate Primary School: Discounts on 1127</b>		
<b>Ref no</b>	<b>Account number</b>	<b>Account name</b>	<b>Debit (\$)</b>	<b>Credit (\$)</b>
1132	1-1200	Accounts Receivable		220.00
1132	5-3000	Discount Given	200.00	
1132	2-1212	GST	20.00	
<b>Total amount</b>			<b>220.00</b>	<b>220.00</b>
<b>Customer return applied</b>	<b>08/10/2022</b>	<b>Highgate Primary School: Credit from 1132</b>		
<b>Ref no</b>	<b>Account number</b>	<b>Account name</b>	<b>Debit (\$)</b>	<b>Credit (\$)</b>
SJ000001	1-1200	Accounts Receivable	220.00	
SJ000001	1-1200	Accounts Receivable		220.00
<b>Total amount</b>			<b>220.00</b>	<b>220.00</b>
<b>Invoice</b>	<b>09/10/2022</b>	<b>Sale; Cash Sales</b>		
<b>Ref no</b>	<b>Account number</b>	<b>Account name</b>	<b>Debit (\$)</b>	<b>Credit (\$)</b>
1133	1-1200	Accounts Receivable	132.00	
1133	4-1400	Services Income		120.00
1133	2-1212	GST		12.00
<b>Total amount</b>			<b>132.00</b>	<b>132.00</b>
<b>Invoice</b>	<b>14/10/2022</b>	<b>Sale; TJ Auctioneers</b>		
<b>Ref no</b>	<b>Account number</b>	<b>Account name</b>	<b>Debit (\$)</b>	<b>Credit (\$)</b>
1134	1-1200	Accounts Receivable	426.80	
1134	4-1400	Services Income		360.00
1134	4-5005	Stock Income		28.00
1134	2-1212	GST		38.80
<b>Total amount</b>			<b>426.80</b>	<b>426.80</b>
<b>Invoice</b>	<b>16/10/2022</b>	<b>Sale; Fenchurch Lawyers</b>		
<b>Ref no</b>	<b>Account number</b>	<b>Account name</b>	<b>Debit (\$)</b>	<b>Credit (\$)</b>
1135	1-1200	Accounts Receivable	475.00	

FIGURE 5.35 – Sales Journal (page 1)

Transaction type	Issue date	Description	Debit (\$)	Credit (\$)
<b>Invoice</b>	<b>16/10/2022</b>	<b>Sale; Fenchurch Lawyers</b>		
<b>Ref no</b>	<b>Account number</b>	<b>Account name</b>	<b>Debit (\$)</b>	<b>Credit (\$)</b>
1135	4-1400	Services Income		431.82
1135	2-1212	GST		43.18
<b>Total amount</b>			<b>475.00</b>	<b>475.00</b>
<b>Invoice</b>	<b>21/10/2022</b>	<b>Sale; Fenchurch Lawyers</b>		
<b>Ref no</b>	<b>Account number</b>	<b>Account name</b>	<b>Debit (\$)</b>	<b>Credit (\$)</b>
1136	1-1200	Accounts Receivable		100.00
1136	4-1400	Services Income	90.91	
1136	2-1212	GST	9.09	
<b>Total amount</b>			<b>100.00</b>	<b>100.00</b>
<b>Customer return applied</b>	<b>21/10/2022</b>	<b>Fenchurch Lawyers: Credit from 1136</b>		
<b>Ref no</b>	<b>Account number</b>	<b>Account name</b>	<b>Debit (\$)</b>	<b>Credit (\$)</b>
SJ000002	1-1200	Accounts Receivable	100.00	
SJ000002	1-1200	Accounts Receivable		100.00
<b>Total amount</b>			<b>100.00</b>	<b>100.00</b>
<b>Invoice</b>	<b>22/10/2022</b>	<b>Sale; Barclay Accounting</b>		
<b>Ref no</b>	<b>Account number</b>	<b>Account name</b>	<b>Debit (\$)</b>	<b>Credit (\$)</b>
1137	1-1200	Accounts Receivable	339.90	
1137	4-1400	Services Income		300.00
1137	4-5005	Stock Income		9.00
1137	2-1212	GST		30.90
<b>Total amount</b>			<b>339.90</b>	<b>339.90</b>
<b>Invoice</b>	<b>23/10/2022</b>	<b>Sale; Cash Sales</b>		
<b>Ref no</b>	<b>Account number</b>	<b>Account name</b>	<b>Debit (\$)</b>	<b>Credit (\$)</b>
1138	1-1200	Accounts Receivable	165.00	
1138	4-1400	Services Income		150.00
1138	2-1212	GST		15.00
<b>Total amount</b>			<b>165.00</b>	<b>165.00</b>
<b>Invoice</b>	<b>28/10/2022</b>	<b>Sale; TJ Auctioneers</b>		
<b>Ref no</b>	<b>Account number</b>	<b>Account name</b>	<b>Debit (\$)</b>	<b>Credit (\$)</b>
1139	1-1200	Accounts Receivable	396.00	
1139	4-1400	Services Income		360.00
1139	2-1212	GST		36.00
<b>Total amount</b>			<b>396.00</b>	<b>396.00</b>
<b>Invoice</b>	<b>30/10/2022</b>	<b>Sale; Fenchurch Lawyers</b>		
<b>Ref no</b>	<b>Account number</b>	<b>Account name</b>	<b>Debit (\$)</b>	<b>Credit (\$)</b>
1140	1-1200	Accounts Receivable	375.00	
1140	4-1400	Services Income		340.91
1140	2-1212	GST		34.09
<b>Total amount</b>			<b>375.00</b>	<b>375.00</b>
<b>Invoice</b>	<b>31/10/2022</b>	<b>Sale; Highgate Primary School</b>		
<b>Ref no</b>	<b>Account number</b>	<b>Account name</b>	<b>Debit (\$)</b>	<b>Credit (\$)</b>
1141	1-1200	Accounts Receivable	4,400.00	
1141	4-1400	Services Income		4,000.00
1141	2-1212	GST		400.00
<b>Total amount</b>			<b>4,400.00</b>	<b>4,400.00</b>

FIGURE 5.36 – Sales Journal (page 2)

## REVISION EXERCISE 2 (Service business)

Peter Jameson has run his engineering consultancy business for several years as a sole trader. The business is registered for GST and when he invoices his clients, he charges at a set rate per hour excluding GST.

You are required to:

- Create a new MYOB data file.
- Make changes to the Chart of accounts (add, edit & delete).
- Enter opening General Ledger balances.
- Create customers and enter opening balances.
- Record a variety of transactions for the month.
- Print or display reports for the month.

### *Create a new data file*

Business name: **Jameson Consultancy**  
ABN: **23 909 150 179**  
Address: **80 Flinders Street  
Adelaide SA 5000**  
Phone: **8212 9090**  
Current financial year: **202\_**  
Last month of financial year: **June**  
Opening balance date: **November**  
Industry: **Professional services**

### *Chart of Accounts*

#### Add accounts

Account No.	Account Name	Level	Tax Code
1-2120	Accum. Depr. Office Equipment	Detail	N-T
1-2210	Motor Vehicles at cost	Detail	CAP
1-2220	Accum. Depr. Motor Vehicles	Detail	N-T
6-1480	Electricity Expenses	Detail	GST
6-1500	Insurance Expenses	Detail	GST
6-4300	Rent Expenses	Detail	GST
6-4470	Travel Expenses	Detail	GST

TABLE 5.7 – Add accounts

#### Edit accounts

Account No.	Old Name	New Name	Level	Tax Code
1-1110	Bank Account 1	Business Bank Account	Detail	N-T
1-1120	Bank Account 2	Petty Cash/Cash on Hand	Detail	N-T
1-2110	Equipment, Furniture & Vehicles	Office Equipment at cost	Detail	CAP
3-1000	Personal Income	Owner's Capital	Detail	N-T
3-2000	Personal Expenses	Owner's Drawings	Detail	N-T
4-1400	Sales	Consultancy Income	Detail	GST
6-1210	Contractor Fees & Commission	Cleaning Expenses	Detail	GST
6-1470	Freight, Courier & Postage	Discount Given	Detail	GST

TABLE 5.8 – Edit accounts

#### Linked Accounts

- I give discounts for early payment – 6-1470 Discount Given

## Enter opening balances

Jameson Consultancy 80 Flinders Street Adelaide SA 5000 8212 9090			
<b>Trial balance report</b>			
Oct 2022			
Account no	Account name	Debit (\$)	Credit (\$)
1-1110	Business Bank Account	29,310.00	
1-1120	Petty Cash/Cash on Hand	200.00	
1-1200	Accounts Receivable	4,554.00	
1-2110	Office Equipment at cost	20,500.00	
1-2120	Accum. Depr. Office Equipment		3,760.00
1-2210	Motor Vehicles at cost	37,540.00	
1-2220	Accum. Depr. Motor Vehicles		9,945.00
2-1212	GST		660.00
3-1000	Owner's Capital		62,954.00
3-2000	Owner's Drawings	13,600.00	
4-1400	Consultancy Income		52,630.00
6-1120	Advertising & Marketing	1,400.00	
6-1160	Bank Fees & Charges	40.00	
6-1210	Cleaning Expenses	1,020.00	
6-1470	Discount Given	340.00	
6-1480	Electricity Expenses	820.00	
6-1500	Insurance Expenses	3,375.00	
6-1700	Motor Vehicle Expenses	1,840.00	
6-4280	Printing & Stationery	380.00	
6-4300	Rent Expenses	9,200.00	
6-4460	Telephone & Internet	1,430.00	
6-4470	Travel Expenses	4,400.00	
<b>Grand total</b>		<b>129,949.00</b>	<b>129,949.00</b>

FIGURE 5.37 – Opening balances

## Setup customers

<i>Contact type</i>	Customer	Customer	Customer	Customer
<i>Designation</i>	Company	Company	Company	Company
<i>Name</i>	Gilbert & Associates	South Australian Government	Holmes Construction Pty Ltd	Hindmarsh Construction Pty Ltd
<i>Address</i>	40 Franklin Street Adelaide SA 5000	GPO Box 100 Adelaide SA 5001	77 South Terrace Adelaide SA 5000	53 Wyatt Street Adelaide SA 5000
<i>Phone</i>	8212 7966	8212 1000	8410 8088	8231 7879
<i>Contact person</i>	Bob Gilbert	Andrew Johnson	Grant Holmes	Eric Leighton
<i>Sale layout</i>	Service	Service	Service	Service
<i>Customer terms</i>	5% 10/Net 30	Net 30 days	Net 30 days	Net 30 days

TABLE 5.9 – Customer information

## Enter customer opening balances

Customer	Inv. No.	Date	PO No.	Total	Tax Code
South Australian Government	3217	4/10/202_	3211790	\$2,970.00	GST
Holmes Construction P/L	3219	21/10/202_	8269	\$693.00	GST
Gilbert & Associates	3220	30/10/202_	2776	\$891.00	GST

TABLE 5.10 – Customer opening balances

## **Transactions**

Post all income to the consultancy income account.

- 1/11/202\_ Invoice (no. 3221) Hindmarsh Construction P/L (PO no. 3197) for consultancy services provided on the Port Kenny gas pipeline project, 18 hours @ \$230 per hour (\$4,140) plus reimbursement of travel costs to and from site \$730.
- 5/11/202\_ Received and banked a cheque from Gilbert & Associates for the balance owing on invoice no. 3220 after taking into consideration prompt payment discount.
- 8/11/202\_ Invoiced Port Lincoln Hospital, PO Box 10, Port Lincoln SA 5606 (PO no. PLH219906) for consultancy services provided on the hospital construction project. 15 hours @ \$230 per hour (\$3,450) plus travel costs of \$810. Terms net 30 days.
- 12/11/202\_ Invoiced the South Australian Government (PO no. 3211790) for a progress payment on consultancy services provided to them on various projects. 20 hours @ \$300 per hour (\$6,000).
- 15/11/202\_ Received and banked a cheque for \$2,970 from the South Australian Government.
- 19/11/202\_ Invoice sent to The Riverside Café, PO Box 3, American River SA 5221 for consultancy services provided on site to sort out a problem with their building extension. 8 hours @ \$190 per hour (\$1,520). They provided flights, accommodation, and meals, and paid me by cheque before I left. This was banked as soon as I returned to Adelaide.
- 22/11/202\_ Issued an adjustment note to the Port Lincoln Hospital for the travel costs charged to them on my invoice dated 8/11/202\_. I forgot that they had paid for my flights.
- 25/11/202\_ Invoiced Holmes Construction P/L (PO no. 8271) for consultancy services provided on the Glenelg High School project. 10.5 hours @ \$230 per hour (\$2,415).
- 26/11/202\_ Invoiced the South Australian Government (PO no. 3211790) for a progress payment on consultancy services provided to them on various projects. 7.5 hours @ \$300 per hour (\$2,250).
- 29/11/202\_ Invoice Gilbert & Associates (PO no. 2778) for consultancy services provided on the Crafers Hall project, 6 hours @ \$230 per hour (\$1,380) plus travel costs of \$370.
- 29/11/202\_ Received and banked a cheque for \$1,000 from Holmes Construction P/L in part payment of the amounts owed by them.

Print or display the following reports for November:

- Sales – Receivables reconciliation with tax
  - Expand the report.
- Sales – Sales register
- Business – Trial Balance

## Receivables reconciliation with tax report

30 Nov 2022

Name		Amount outstanding (\$)				Tax outstanding (\$)
<b>Gilbert &amp; Associates</b>		<b>1,925.00</b>				<b>175.00</b>
Reference number	Transaction date	Total due (\$)	0 - 30	31 - 60	61 - 90	90+
3229	29/11/2022	1,925.00	1,925.00	0.00	0.00	0.00
<b>Total</b>		<b>1,925.00</b>	<b>1,925.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Ageing percent</b>			<b>100.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Hindmarsh Construction Pty Ltd</b>		<b>5,357.00</b>				<b>487.00</b>
Reference number	Transaction date	Total due (\$)	0 - 30	31 - 60	61 - 90	90+
3221	01/11/2022	5,357.00	5,357.00	0.00	0.00	0.00
<b>Total</b>		<b>5,357.00</b>	<b>5,357.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Ageing percent</b>			<b>100.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Holmes Construction Pty Ltd</b>		<b>2,349.50</b>				<b>213.59</b>
Reference number	Transaction date	Total due (\$)	0 - 30	31 - 60	61 - 90	90+
3227	25/11/2022	2,349.50	2,349.50	0.00	0.00	0.00
<b>Total</b>		<b>2,349.50</b>	<b>2,349.50</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Ageing percent</b>			<b>100.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Port Lincoln Hospital</b>		<b>3,795.00</b>				<b>345.00</b>
Reference number	Transaction date	Total due (\$)	0 - 30	31 - 60	61 - 90	90+
3223	08/11/2022	3,795.00	3,795.00	0.00	0.00	0.00
<b>Total</b>		<b>3,795.00</b>	<b>3,795.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Ageing percent</b>			<b>100.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>South Australian Government</b>		<b>9,075.00</b>				<b>825.00</b>
Reference number	Transaction date	Total due (\$)	0 - 30	31 - 60	61 - 90	90+
3224	12/11/2022	6,600.00	6,600.00	0.00	0.00	0.00
3228	26/11/2022	2,475.00	2,475.00	0.00	0.00	0.00
<b>Total</b>		<b>9,075.00</b>	<b>9,075.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Ageing percent</b>			<b>100.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Total</b>			<b>22,501.50</b>			<b>2,045.59</b>
<b>Receivables account</b>		<b>22,501.50</b>				
<b>Out of balance amount</b>		<b>0.00</b>				

FIGURE 5.38 – Receivables reconciliation (expanded)

## Sales register report

01 Nov 2022 - 30 Nov 2022

Date	Invoice No.	Customer PO No.	Customer name	Total amount (\$)	Amount due (\$)	Status
01/11/2022	3221	3197	Hindmarsh Construction Pty Ltd	5,357.00	5,357.00	Open
05/11/2022	3222		Gilbert & Associates	(44.55)	0.00	Closed
08/11/2022	3223	PLH219906	Port Lincoln Hospital	4,686.00	3,795.00	Open
12/11/2022	3224	3211790	South Australian Government	6,600.00	6,600.00	Open
19/11/2022	3225		The Riverside Cafe	1,672.00	0.00	Closed
22/11/2022	3226		Port Lincoln Hospital	(891.00)	0.00	Closed
25/11/2022	3227	8271	Holmes Construction Pty Ltd	2,656.50	2,349.50	Open
26/11/2022	3228	3211790	South Australian Government	2,475.00	2,475.00	Open
29/11/2022	3229	2778	Gilbert & Associates	1,925.00	1,925.00	Open
<b>Total</b>				<b>24,435.95</b>	<b>22,501.50</b>	

FIGURE 5.39 – Sales register

## Trial balance report

Nov 2022

Account no	Account name	Debit (\$)	Credit (\$)	YTD Debit (\$)	YTD Credit (\$)
1-1110	Business Bank Account	6,488.45		35,798.45	
1-1120	Petty Cash/Cash on Hand	0.00		200.00	
1-1200	Accounts Receivable	17,947.50		22,501.50	
1-2110	Office Equipment at cost	0.00		20,500.00	
1-2120	Accum. Depr. Office Equipment	0.00			3,760.00
1-2210	Motor Vehicles at cost	0.00		37,540.00	
1-2220	Accum. Depr. Motor Vehicles	0.00			9,945.00
2-1212	GST		2,221.45		2,881.45
3-1000	Owner's Capital		0.00		62,954.00
3-2000	Owner's Drawings		0.00	13,600.00	
4-1400	Consultancy Income		22,255.00		74,885.00
6-1120	Advertising & Marketing	0.00		1,400.00	
6-1160	Bank Fees & Charges	0.00		40.00	
6-1210	Cleaning Expenses	0.00		1,020.00	
6-1470	Discount Given	40.50		380.50	
6-1480	Electricity Expenses	0.00		820.00	
6-1500	Insurance Expenses	0.00		3,375.00	
6-1700	Motor Vehicle Expenses	0.00		1,840.00	
6-4280	Printing & Stationery	0.00		380.00	
6-4300	Rent Expenses	0.00		9,200.00	
6-4460	Telephone & Internet	0.00		1,430.00	
6-4470	Travel Expenses	0.00		4,400.00	
<b>Grand total</b>		<b>24,476.45</b>	<b>24,476.45</b>	<b>154,425.45</b>	<b>154,425.45</b>

FIGURE 5.40 – Trial Balance

## CHAPTER 6 – BANKING

In this chapter you will learn how to record payments and receipts, make a bank deposit and complete and end of month bank reconciliation.

If you have a cash business (one that does not have debtors or creditors) you can enter all transactions involving the receipt or payment of money through the Banking menu. Carry On Camping is not a cash business therefore most of the transactions to date have involved the subsidiary ledgers. To demonstrate a bank deposit from the undeposited funds account, transactions will be recorded using the Banking and Sales menus. Cheque numbers used in this chapter will not be in sequence as they are designed to fit between numbers already used in the Purchases chapter.

### Spend Money

Use this option to pay for cash purchases either by cheque, cash, or credit card.

**1/05/202\_      Paid \$3,960 including GST for advertising in the Yellow Pages with cheque #173. This advertising is for one year; therefore, the amount is to be recorded in a new account named 'prepaid advertising'.**

Select the **Banking** menu and the **Spend money** option.

Bank account:                    **1-1110**  
Contact:                         **Yellow Pages** (Create a supplier contact for this company. No other fields can be completed as you do not have the information)  
Description:                   **Advertising**  
Reference no:                  **173**  
Date:                             **1/05/202\_**  
Amounts are:                  **☉ Tax inclusive.**  
Account:                        **1-1311** (Create a new 'Current Asset' type account – Prepaid Advertising with a tax code of N-T)

**Note:** Use this tax code in the account when you set the account up, to avoid having to change the code when allocating amounts to the expense account.

Amount:                         **3960**  
Tax Code:                       **GST**

Account *	Amount (\$) *	Quantity	Description	Job	Tax code *
1-1311 Prepaid Advertising	3,960.00				GST

Subtotal \$3,960.00  
Tax \$360.00  
Total \$3,960.00

**FIGURE 6.1 - Spend money**

Click [Record].

**Note:** Although MYOB has been setup to use account numbers, you may find it faster, or more convenient, if you have not already discovered, to start typing the name of the account in the account field and a short list of accounts will display to select from.

## Receive Money

This option is used to record cash sales where no invoice is required and the transaction does not involve inventory, or it is for the receipt of money from someone, other than a customer to whom you have provided credit.

**3/05/202\_      *The owner received an income tax refund cheque of \$730.00 which was paid directly into the business bank account today.***

Select the **Banking** menu and the **Receive money** option.

Bank account:                    **1-1110**  
Contact:                            Leave blank  
Description:                      **Income tax refund**  
Reference no:                      Accept number offered.  
Date:                                **3/05/202\_**  
Amounts are:                      It does not matter which is selected.  
Account:                          **3-1000**  
Amount:                            **730**  
Tax Code:                          **N-T**

Account #	Amount (\$)	Quantity	Description	Job	Tax code
3-1000 Owner's Capital	730.00				N-T

Subtotal \$730.00  
Tax \$0.00  
Total \$730.00

**FIGURE 6.2 – Receive money**

Click [Record].

## Transfer Money

This feature is a quick way to record transfers between bank accounts.

**6/05/202\_      *The owner transferred electronically, \$10,000 from the business bank account to the business investment account that he has opened.***

Select the **Banking** menu and the **Transfer money** option. Select the accounts to be used and enter the date as shown in figure 6.3.

FIGURE 6.3 – Transfer money

Click [Record].

**More business bank account transactions**

**6/05/202\_      Cheque #174 for \$477 was drawn in favour of Australian Super to pay the amount of superannuation contributions payable for April.**

Account *	Amount (\$) *	Quantity	Description	Job	Tax code *
2-1355 Superannuation Payable	477.00				N-1

FIGURE 6.4 – Remit superannuation payable

Click [Record and create new]. This will keep you at the ‘Spend money’ window ready to record the next transaction.

**Pay BAS Liability**

This transaction pays liabilities owed to the Australian Taxation Office; therefore, the amounts entered will reduce the balances of several accounts.

**6/05/202\_      Paid the quarterly BAS liability of \$4,723 to the Australian Taxation Office - PAYG Withholding \$2,015, and GST \$2,708. Cheque #175.**

Select the **Spend money** option.

Bank account:           **1-1110**  
 Contact:                 **Australian Taxation Office**  
 Memo:                   **BAS payment**  
 Reference no:          **175**

Date: **6/05/202\_**  
 Amounts are: It does not matter which is selected.  
 Account: **2-1350 PAYG Withholding Payable**  
 Amount: **2015**  
 Account: **2-1212 GST**  
 Amount: **2708**  
 Check your screen against figure 6.5 before you record the transaction.

**FIGURE 6.5 – Pay Business Activity Statement**

Click [Record and create new].

### Pay Wages

When you have a payroll module available to use, then wages paid are usually recorded in that module. As that is a later chapter, we will be recording them this way for May.

**10/05/202\_ Cheque #176 for \$2,740 was drawn and cashed to pay net wages for the fortnight. Gross wages are \$3,238 and PAYG Withholding tax is \$498.**

Select the **Spend money** option.  
 Bank account: **1-1110**  
 Contact: Leave blank  
 Description: **Wages for the fortnight**  
 Reference no: **176**  
 Date: **10/05/202\_**  
 Amounts are: It does not matter which is selected.  
 Account: **6-4100 Payroll - Wages & Salaries**  
 Amount: **3238**  
 Account: **2-1350 PAYG Withholding Payable**  
 Amount: **-498**

Check your screen against figure 6.6 before you record the transaction.

**Create spend money transaction**

Bank account\*  
1-1110 Business Bank Account

Contact (payee)  
[Empty]

Report to ATO via TPFR

Description of transaction  
Wages for the fortnight

Reference number\* 176

Date\* 10/05/2023

Amounts are  Tax inclusive  
 Tax exclusive

Account *	Amount (\$)	Quantity	Description	Job	Tax code *
6-4100 Payroll - Wages & Salaries	3,238.00				N-T
2-1350 PWG Withholding Payable	-498.00				N-T

Subtotal \$2,740.00  
Tax \$0.00  
Total \$2,740.00

Save as recurring    Prefill from recurring    Cancel    Record and new    Record

**FIGURE 6.6 – Pay wages**

Click [Record and create new].

### Petty Cash

Sometimes purchases are paid with cash; these are recorded in Spend Money using the 'Petty Cash' account.

**13/05/202\_    Purchased tea, coffee, milk (\$29.50 GST free) and biscuits (\$6.50 including GST) from the Kenwick Supermarket. The total cost of \$36.00 was paid from petty cash.**

Select the **Spend money** option.

Bank account:            **1-1140 Petty Cash/Cash on Hand**  
 Contact:                 **Kenwick Supermarket**  
 Description:            **Tea, coffee, milk & biscuits**  
 Reference no:            Accept the default number.  
 Date:                     **13/05/202\_**  
 Amounts are:            **☉ Tax inclusive.**  
 Account:                 **6-4400 Staff Amenities**  
 Amount:                 **29.50**  
 Memo:                    **Tea, coffee & milk**  
 Tax code:                **FRE**  
 Account:                 **6-4400 Staff Amenities**  
 Amount:                 **6.50**  
 Memo:                    **Biscuits**  
 Tax code:                **GST**

Check your screen against figure 6.7 before you record the transaction.

Bank account \*  
1-1121 Petty Cash/Cash on Hand

Reference number \* 1

Date \* 13/05/2023

Contact (payee)  
Kenwick Supermarket No ABN provided

Amounts are  Tax inclusive  
 Tax exclusive

Report to ATO via TPAR

Description of transaction  
Tea, coffee, milk & biscuits

Account * Ⓜ	Amount (\$) *	Quantity	Description	Job	Tax code *
6-400 Staff Amenities	29.50		Tea, coffee & milk		FRE
6-400 Staff Amenities	6.50		Biscuits		GST

Subtotal \$36.00  
Tax \$0.59  
Total \$36.00

Save as recurring Prefill from recurring Cancel Record and new Record

FIGURE 6.7 – Payment from petty cash

Click [Record].

### Undeposited Funds

This is a very useful feature when receipts from various sources are to be entered, and they are then grouped together to bank. It makes reconciling computer records with the bank statement much easier.

**14/05/202\_** *Sold some old bits and pieces from around the shop at the local swap meet for \$280 cash. This cash has not yet been banked and it will include GST because the business is registered for GST. All the items sold had previously been expensed.*

Select the **Banking** menu and the **Receive money** option.

Bank account: **1-1170 Undeposited Funds Account**  
 Description: **Sale of miscellaneous items**  
 Date: **14/05/202\_**  
 Amounts are:  **Tax inclusive.**  
 Account: **4-5005 Other Income**  
 Amount: **280**

Bank account \*  
1-1170 Undeposited Funds Account

Reference number \* CR000008

Date \* 14/05/2023

Contact (payer)

Amounts are  Tax inclusive  
 Tax exclusive

Description of transaction  
Sale of miscellaneous items

Account * Ⓜ	Amount (\$) *	Quantity	Description	Job	Tax code *
4-5005 Other Income	280.00				GST

Subtotal \$280.00  
Tax \$25.45  
Total \$280.00

Save as recurring Prefill from recurring Cancel Record and new Record

FIGURE 6.8 – Undeposited Funds

**14/05/202\_ Received a cheque from Police Supply Dept for \$385.00 in payment of an April invoice. This has not yet been banked.**

At this window select **Undeposited Funds Account** as the bank account (see figure 6.9).

Record payment from customer

Customer \* Police Supply Dept Reference number \* CR000009 Date \* 14/05/2023

Bank account 1-1170 Undeposited Funds Account

Description of transaction

Show closed invoices

1 invoices selected

<input type="checkbox"/>	Issue date	Invoice number	Status	Balance due (\$)	Discount (\$)	Discounted balance (\$)	Amount received (\$)
<input type="checkbox"/>	17/05/2023	2218	Open	3,520.00		3,520.00	
<input type="checkbox"/>	06/05/2023	2214	Open	121.00		121.00	
<input checked="" type="checkbox"/>	03/04/2023	2113	Open	385.00		385.00	385.00

Total amount received \$385.00

Cancel Save

**FIGURE 6.9 – Receipt from customer not yet banked**

**14/05/202\_ Cash sale of 1 x Black Wolf Campsite sleeping bag @ \$143.00 including GST. The customer paid with cash which has not yet been banked.**

Because the ‘Create invoice’ window does not allow us to select which bank account the money should go to, we have to record the receipt of the money separately.

Create invoice

Customer \* Cash Sales Invoice number \* 2226 Customer PO number Issue date \* 14/05/2023 Due date \* Cash on delivery

No ABN provided No open quotes

VISA Start getting paid online

Amounts are  Tax inclusive  Tax exclusive

Item ID	Description	Account *	Unit	No of units	Unit price	Discount (%)	Amount (\$) *	Job	Tax code *
BWC	Black Wolf Campsite Sleeping Bag	4-1500 Sales Sleep	Each	1	143.00	0.00	143.00		GST

Notes to customer  Save as default

Subtotal \$143.00  
 Freight (\$) 0.00 GST  
 Tax \$13.00  
 Total \$143.00  
 Amount paid (\$) 0.00  
 Balance due \$143.00

View PDF Email invoice Save as recurring Prefill from recurring Cancel Save and... Save

**FIGURE 6.10 – Cash sale money not yet banked**

Once saved, a ‘Create payment’ will appear above the invoice and a button with the same name below. Click on either and record the payment as shown in figure 6.11.

Record payment from customer

Customer \*  
Cash Sales

Reference number \* CR000010

Date \* 14/05/2023

Bank account:  
1-1170 Undeposited Funds Account

Description of transaction

Show closed invoices

1 invoices selected

<input checked="" type="checkbox"/>	Issue date	Invoice number	Status	Balance due (\$)	Discount (\$)	Discounted balance (\$)	Amount received (\$)
<input checked="" type="checkbox"/>	14/05/2023	2226	Open	143.00		143.00	143.00

Total amount received \$143.00

Cancel Save

FIGURE 6.11 – Cash sale payment not yet banked

### Bank Deposit

Select Banking and then Transfer money.

**15/05/202\_ All undeposited amounts were banked today. The total amount banked was \$808.00.**

Create transfer money transaction

Amount (\$) \*  
808.00

Reference number \* TR000002

Date \* 15/05/2023

Description of transaction  
Bank deposit

Bank account from \*  
1-1170 Undeposited Funds Account

Bank account to \*  
1-1110 Business Bank Account

Current balance \$808.00 Current balance \$16,587.60  
Balance after transfer \$0.00 Balance after transfer \$17,395.60

Cancel Record and new Record

FIGURE 6.12 – Bank deposit

### More business bank account transactions

**13/05/202\_ Cheque #177 for \$3,300 (including GST) used to purchase new display stands (furniture & equipment) from Promotional Display Equipment.**

The screenshot shows the 'Create spend money transaction' window. The 'Bank account' is '1-1110 Business Bank Account'. The 'Reference number' is '177'. The 'Date' is '13/05/2023'. The 'Contact (payee)' is 'Promotional Display Equipment' with a note 'No ABN provided'. The 'Description of transaction' is 'Purchase new display stands'. The 'Amounts are' section has 'Tax inclusive' selected. The table below shows one entry: '1-2110 Furniture & Equipment At Cost' with an amount of '3,300.00'. The summary shows a subtotal of \$3,300.00, tax of \$300.00, and a total of \$3,300.00.

Account *	Amount (\$) *	Quantity	Description	Job	Tax code *
1-2110 Furniture & Equipment At Cost	3,300.00				CAP

Subtotal \$3,300.00  
Tax \$300.00  
Total \$3,300.00

FIGURE 6.13 – Purchase of a capital item

**14/05/202\_ Paid the Visa account by cheque #178 for \$1,465.**

This is a cheque written to pay Visa, not a payment made on the Visa card. Post to the Visa account as shown in figure 6.14. If you had been told that the payment was made electronically, then you would use 'Transfer money' to record the payment.

The screenshot shows the 'Create spend money transaction' window. The 'Bank account' is '1-1110 Business Bank Account'. The 'Reference number' is '178'. The 'Date' is '14/05/2023'. The 'Contact (payee)' is empty. The 'Description of transaction' is 'Pay Visa'. The 'Amounts are' section has 'Tax inclusive' selected. The table below shows one entry: '2-1110 Visa' with an amount of '1,465.00'. The summary shows a subtotal of \$1,465.00, tax of \$0.00, and a total of \$1,465.00.

Account *	Amount (\$) *	Quantity	Description	Job	Tax code *
2-1110 Visa	1,465.00				N-T

Subtotal \$1,465.00  
Tax \$0.00  
Total \$1,465.00

FIGURE 6.14 – Payment of credit card balance

### Credit Card

A lot of businesses use a credit card to pay for business purchases; these are also recorded in Spend money using whatever the credit card account is. This business uses a Visa card.

**17/05/202\_ Purchase some stationery from Officeworks that cost \$289.80 including GST and paid for it with the Visa card.**

- Select **Spend money** on the **Banking** menu.
- Bank account: **2-1110 Visa**
- Contact: **Officeworks**
- Description: **Stationery**
- Reference no: Accept the default number.
- Date: **17/05/202\_**
- Amounts are: **☉ Tax inclusive.**

Account: **6-4280 Postage & Stationery**  
 Amount: **289.80**  
 Tax Code: **GST**

**Create spend money transaction**

Bank account \*  
2-1110 Visa

Reference number \* 1

Date \* 17/05/2023

Contact (payee)  
Offworks No ABN provided

Amounts are  Tax inclusive  
 Tax exclusive

Report to ATO via TFR

Description of transaction  
Stationery

Account *	Amount (\$) *	Quantity	Description	Job	Tax code *
6-4280 Postage & Stationery	289.80				GST

Subtotal \$289.80  
 Tax \$26.35  
 Total \$289.80

Save as recurring Prefill from recurring Cancel Record and new Record

FIGURE 6.15 – Credit card purchase

### Final business bank account transactions

**24/05/202\_** *Cheque #182 for \$2,740 was drawn and cashed to pay net wages for the fortnight. Gross wages are \$3,238 and PAYG Withholding tax is \$498.*

**30/05/202\_** *The owner drew a cash cheque (#183) for \$4,100. This was used by the owner for personal drawings and to reimburse petty cash.*

**Create spend money transaction**

Bank account \*  
1-1110 Business Bank Account

Reference number \* 183

Date \* 30/05/2023

Contact (payee)

Amounts are  Tax inclusive  
 Tax exclusive

Report to ATO via TFR

Description of transaction  
Drawings and petty cash reimbursement

Account *	Amount (\$) *	Quantity	Description	Job	Tax code *
1-1121 Petty Cash/Cash on Hand	36.00				N-T
3-2000 Owner's Drawings	4,064.00				N-T

Subtotal \$4,100.00  
 Tax \$0.00  
 Total \$4,100.00

Save as recurring Prefill from recurring Cancel Record and new Record

FIGURE 6.16 – Reimburse petty cash and drawings

## Find transactions

This item at the bottom of the Banking menu is very useful if you are searching for a transaction that perhaps should be there but does not appear to be, or if you need to go back to a transaction to make a correction. You can use this option to find transactions in any or all the various journals.

Select **Cash receipts** as the source journal. Enter the dates from **1/05/202\_** to **31/05/202\_**, and your screen should look the same as figure 6.17.

Find transactions

Debits and credits Transactions Find and replace

Period: Custom Date from: 01/05/2023 Date to: 31/05/2023 Source journal: Cash Receipts Search: Q Reset

Date #	Reference no #	Description #	Source journal #	Amount (\$) #
29/05/2023	CR000006	Part payment	Cash Receipts	4,000.00
25/05/2023	CR000005	Cash Sales for 22212221	Cash Receipts	1,089.00
23/05/2023	CR000004	Cash Sales for 22202220	Cash Receipts	190.00
20/05/2023	CR000003	Deposit paid	Cash Receipts	2,000.00
14/05/2023	CR000008	Sale of miscellaneous items	Cash Receipts	280.00
14/05/2023	CR000009	Payment; Police Supply Dept	Cash Receipts	385.00
14/05/2023	CR000010	Payment; Cash Sales	Cash Receipts	143.00
06/05/2023	CR000002	Payment; Scout Shop	Cash Receipts	1,586.50
03/05/2023	CR000007	Income tax refund	Cash Receipts	730.00
01/05/2023	CR000001	Outstanding deposit	Cash Receipts	1,000.00

FIGURE 6.17 – Find cash receipts transactions

## End of Month Adjustments

### Accrued Wages

Wages were last paid on 24/05/202\_ and employees have worked between then and the end of the month. Therefore, they have an entitlement to wages for that period. From the employer's perspective a liability to pay them has arisen. This is the general journal entry required to record that liability.

**31/05/202\_      Accrue gross wages of \$1,676.00 at the end of the month.**

Create general journal transaction

Date\*: 31/05/2023 Reference number\*: G000008

Display in GST report as\*:  Purchase  Sale

Amounts are:  Tax inclusive  Tax exclusive

Description of transaction: Wages accrued at the end of May

Account #	Debit (\$)	Credit (\$)	Quantity	Description	Job	Tax code #
6-4100 Payroll - Wages & Salaries	1,676.00					N-T
2-1360 Wages & Salaries Payable		1,676.00				N-T

Total debit: \$1,676.00  
 Total credit: \$1,676.00  
 Tax: \$0.00  
 Out of balance: \$0.00

Save as recurring Prefill from recurring Cancel Record and new Record

FIGURE 6.18 – Wages accrued

### Superannuation liability

The business is using a manual system to record wages and employee entitlements. The business has incurred a liability for the 10.5% superannuation guarantee charge on employee wages paid during the month. This general journal entry is to record that liability.



**BANK STATEMENT (AS AT 31/05/202\_)**

Date	Particulars	Debit	Credit	Balance
1/05/202_	Opening Balance			\$36,465.00 CR
	Deposit		1,000.00	
	Cheque #170	3,850.00		33,615.00 CR
3/05/202_	Deposit		730.00	
	Cheque #173	3,960.00		30,385.00 CR
6/05/202_	Deposit		1,586.50	
	Transfer	10,000.00		21,971.50 CR
8/05/202_	Cheque #174	477.00		21,494.50 CR
10/05/202_	Cheque #176	2,740.00		18,754.50 CR
13/05/202_	Cheque #175	4,723.00		
	Cheque #177	3,300.00		10,731.50 CR
15/05/202_	Deposit		808.00	
	Cheque #178	1,465.00		
	Loan Repayment	750.00		9,324.50 CR
20/05/202_	EFT		2,000.00	
	Cheque #179	1,805.00		9,519.50 CR
23/05/202_	EFT		190.00	
	Cheque #180	2,319.90		7,389.60 CR
24/05/202_	Cheque #182	2,740.00		4,649.60 CR
25/05/202_	Deposit		1089.00	5,738.60 CR
29/05/202_	Deposit		4,000.00	9,738.60 CR
31/05/202_	Cheque #183	4,100.00		
	Bank Fees	10.00		5,628.60 CR

**TABLE 6.1 – Bank statement for business bank account**

**Step 1: Reconcile bank account**

Select the **Banking** menu then **Reconcile accounts**.

Account: **1-1110 Business Bank Account**  
 Statement date: **31/05/202\_**  
 Closing bank statement balance: **5628.60**

Mark  the items that have been cleared by the bank i.e., appear on the bank statement (see table 6.1). The unmarked items represent items that have not yet been cleared.

**Step 2: Enter the missing items and complete the reconciliation.**

**Service Charges and/or Interest Earned**

These cannot be entered from the reconciliation window, so you need to *click* [Save progress]. Now you can go back to the menu and select Spend money (or Receive money if interest earned).

**Service Charges**

Bank account: **1-1110**  
 Description: **Bank fees for May**  
 Reference no: **Bank** (or BS)  
 Date: **31/05/202\_**  
 Account: **6-1160**  
 Amount: **10.00**  
 Tax Code: **FRE**

**Note:** Examples of types of bank charges include - bank service fees, overdraft fee, maintenance fee, dishonour fee and transaction fee.

**Create spend money transaction**

Bank account \*  
1-1110 Business Bank Account

Contact (payee)  
Report to ATO via TFMR

Description of transaction  
Bank fees for May

Reference number \* Bank

Date \* 21/05/2023

Amounts are  Tax inclusive  
 Tax exclusive

Account *	Amount (\$)	Quantity	Description	Job	Tax code *
6-1160 Bank Fees & Charges	10.00				FRE

Subtotal \$10.00  
Tax \$0.00  
Total \$10.00

Save as recurring Prefill from recurring Cancel Record and new Record

**FIGURE 6.20 – Record bank fees**

### Loan Repayment

Record the loan repayment through Spend money. You cannot use the Transfer money option when the money is transferred to a long-term liability account such as a business loan.

**Create spend money transaction**

Bank account \*  
1-1110 Business Bank Account

Contact (payee)  
Report to ATO via TFMR

Description of transaction  
Loan repayment

Reference number \* Bank

Date \* 15/05/2023

Amounts are  Tax inclusive  
 Tax exclusive

Account *	Amount (\$)	Quantity	Description	Job	Tax code *
2-2105 Business Loan	750.00				NI-T

Subtotal \$750.00  
Tax \$0.00  
Total \$750.00

Save as recurring Prefill from recurring Cancel Record and new Record

**FIGURE 6.21 – Loan repayment**

To restore the reconciliation window, go to the **Banking** menu and *select Reconcile accounts*.

You will have to re-enter the statement date and the closing bank statement balance. Then tick the two transactions you have just recorded, and the 'Out of balance' amount should now be \$0.00.

**Reconcile accounts** Save progress **Reconcile**

Account: 1-1110 Business Bank Account Statement date\*: 31/05/2023 Closing bank statement balance (\$) + 5,628.60

Date last reconciled 01/05/2023 Undo Calculated closing balance \$5,628.60

Out of balance \$0.00

Date	Reference	Description	Withdrawal (\$)	Deposit (\$)
<input checked="" type="checkbox"/> 31/05/2023	Bank	Bank fees for may	10.00	
<input checked="" type="checkbox"/> 30/05/2023	183	Drawings and petty cash reimbursement	4,100.00	
<input checked="" type="checkbox"/> 29/05/2023	CR000006	Part payment		4,000.00
<input checked="" type="checkbox"/> 25/05/2023	CR000005	Cash Sales for 22212221		1,089.00
<input checked="" type="checkbox"/> 24/05/2023	182	Wages for the fortnight	2,740.00	
<input checked="" type="checkbox"/> 23/05/2023	CR000004	Cash Sales for 22202220		190.00
<input type="checkbox"/> 22/05/2023	181	Spinifex Group for 00002003	598.00	
<input checked="" type="checkbox"/> 20/05/2023	CR000003	Deposit paid		2,000.00
<input checked="" type="checkbox"/> 16/05/2023	180	Payment; Engel Aust Pty Ltd	2,319.90	
<input checked="" type="checkbox"/> 15/05/2023	179	Payment of April invoice	1,805.00	
<input checked="" type="checkbox"/> 15/05/2023	TR000002	Bank deposit		808.00
<input checked="" type="checkbox"/> 15/05/2023	Bank	Loan repayment	750.00	
<input checked="" type="checkbox"/> 14/05/2023	178	Pay Visa	1,485.00	
<input checked="" type="checkbox"/> 13/05/2023	177	Purchase new display stands	3,300.00	
<input checked="" type="checkbox"/> 10/05/2023	176	Wages for the fortnight	2,740.00	
<input checked="" type="checkbox"/> 06/05/2023	CR000002	Payment; Scout Shop		1,586.50
<input checked="" type="checkbox"/> 06/05/2023	TR000001	Transfer to investment account	10,000.00	
<input checked="" type="checkbox"/> 06/05/2023	174	April super	477.00	
<input checked="" type="checkbox"/> 06/05/2023	175	BAS payment	4,723.00	
<input checked="" type="checkbox"/> 03/05/2023	CR000007	Income tax refund		730.00
<input checked="" type="checkbox"/> 01/05/2023	170	Outstanding cheque	3,850.00	
<input checked="" type="checkbox"/> 01/05/2023	CR000001	Outstanding deposit		1,000.00
<input checked="" type="checkbox"/> 01/05/2023	173	Advertising	3,960.00	

**FIGURE 6.22 – Balanced bank reconciliation**

Click [Reconcile].

## Investment Account Reconciliation

### INVESTMENT ACCOUNT BANK STATEMENT (AS AT 31/05/202\_)

Date	Particulars	Debit	Credit	Balance
1/05/202_	Opening Balance			\$5,000.00 CR
6/05/202_	Deposit		10,000.00	15,000.00 CR
31/05/202_	Interest		39.80	15,039.80 CR

**TABLE 6.2 – Investment account bank statement**

You will have to create a new account for the interest. Set up account number **4-5006 Interest Income** with a tax code of **ITS**.

**Create receive money transaction**

Bank account \*  
1-1120 Business Investment Account

Reference number \* CR000011

Date \* 31/05/2023

Contact (payer)

Amounts are  Tax inclusive  
 Tax exclusive

Description of transaction  
Interest earned for May

Account *	Amount (\$) *	Quantity	Description	Job	Tax code *
4-5006 Interest Income	39.80				ITS

Subtotal \$39.80  
Tax \$0.00  
Total \$39.80

Save as recurring    Prefill from recurring    Cancel    Record and new    Record

FIGURE 6.23 – Investment account interest

### Undo Bank Reconciliation

If you discover after you have completed the bank reconciliation, that you have made a mistake, you can undo the previous bank reconciliation by using the 'Undo' alongside the date last reconciled. Follow the prompts, and once corrections have been made re-reconcile.

#### Step 3: Print or Display Reconciliation Report.

Carry On Camping  
1800 Albany Highway  
Maddington WA 6109  
9459 1999

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**Bank reconciliation**  
31 May 2023

Account number	Account name	Date last reconciled	Last reconciled balance (\$)	Account balance (\$)
1-1120	Business Investment Account	31/05/2023	15,039.80	15,039.80
<b>Reconciliation</b>				<b>Value (\$)</b>
Account balance on 31/05/2023				15,039.80
Add: Outstanding withdrawals				0.00
Subtotal				15,039.80
Deduct: Outstanding deposits				0.00
<b>Expected balance on bank statement</b>				<b>15,039.80</b>
<b>Reconciled deposits</b>				
Reference number	Transaction date	Description	Deposit (\$)	Withdrawal (\$)
TR000001	06/05/2023	Transfer to investment account	10,000.00	
CR000011	31/05/2023	Interest earned for May	39.80	
<b>Total</b>			<b>10,039.80</b>	<b>0.00</b>

FIGURE 6.24 – Investment Account Reconciliation report

## Bank reconciliation

31 May 2023

Account number	Account name	Date last reconciled	Last reconciled balance (\$)	Account balance (\$)
1-1110	Business Bank Account	31/05/2023	5,628.60	5,030.60
<b>Reconciliation</b>				<b>Value (\$)</b>
Account balance on 31/05/2023				5,030.60
Add: Outstanding withdrawals				598.00
Subtotal				5,628.60
Deduct: Outstanding deposits				0.00
<b>Expected balance on bank statement</b>				<b>5,628.60</b>
<b>Outstanding withdrawals</b>				
Reference number	Transaction date	Description	Deposit (\$)	Withdrawal (\$)
181	22/05/2023	Spinifex Group for 00002003		598.00
<b>Total</b>			<b>0.00</b>	<b>598.00</b>
<b>Reconciled withdrawals</b>				
Reference number	Transaction date	Description	Deposit (\$)	Withdrawal (\$)
170	01/05/2023	Outstanding cheque		3,850.00
173	01/05/2023	Advertising		3,960.00
TR000001	06/05/2023	Transfer to investment account		10,000.00
174	06/05/2023	April super		477.00
175	06/05/2023	BAS payment		4,723.00
176	10/05/2023	Wages for the fortnight		2,740.00
177	13/05/2023	Purchase new display stands		3,300.00
178	14/05/2023	Pay Visa		1,465.00
179	15/05/2023	Payment of April invoice		1,805.00
Bank	15/05/2023	Loan repayment		750.00
180	16/05/2023	Payment; Engel Aust Pty Ltd		2,319.90
182	24/05/2023	Wages for the fortnight		2,740.00
183	30/05/2023	Drawings and petty cash reimbursement		4,100.00
Bank	31/05/2023	Bank fees for may		10.00
<b>Total</b>			<b>0.00</b>	<b>42,239.90</b>
<b>Reconciled deposits</b>				
Reference number	Transaction date	Description	Deposit (\$)	Withdrawal (\$)
CR000001	01/05/2023	Outstanding deposit	1,000.00	
CR000007	03/05/2023	Income tax refund	730.00	
CR000002	06/05/2023	Payment; Scout Shop	1,586.50	
TR000002	15/05/2023	Bank deposit	808.00	
CR000003	20/05/2023	Deposit paid	2,000.00	
CR000004	23/05/2023	Cash Sales for 22202220	190.00	
CR000005	25/05/2023	Cash Sales for 22212221	1,089.00	
CR000006	29/05/2023	Part payment	4,000.00	
<b>Total</b>			<b>11,403.50</b>	<b>0.00</b>

FIGURE 6.25 – Business Bank Account Reconciliation report

## Other Reports for the period 1/05/202\_ to 31/05/202\_

### GST Report

Reporting > Reports > All > GST report

Carry On Camping 1800 Albany Highway Maddington WA 6109 9459 1999					
<b>GST report</b>					
Accrual mode					
01 May 2023 - 31 May 2023					
<b>Sales and income</b>					
Code	Description	Rate (%)	Tax Inclusive (\$)	Tax Exclusive (\$)	Tax Collected (\$)
N-T	Not Reportable	0	(4,733.00)	(4,733.00)	0.00
GST	Goods & Services Tax	10	31,843.10	28,948.28	2,894.82
ITS	Input Taxed Sales	0	39.80	39.80	0.00
<b>Total sales and income</b>			<b>27,149.90</b>	<b>24,255.08</b>	<b>2,894.82</b>
<b>Purchases and expenses</b>					
Code	Description	Rate (%)	Tax Inclusive (\$)	Tax Exclusive (\$)	Tax paid (\$)
N-T	Not Reportable	0	(18.00)	(18.00)	0.00
CAP	Capital Acquisitions	10	23,200.00	21,090.91	2,109.09
GST	Goods & Services Tax	10	19,083.80	17,348.91	1,734.89
FRE	GST Free	0	39.50	39.50	0.00
<b>Total purchases and expenses</b>			<b>42,305.30</b>	<b>38,461.32</b>	<b>3,843.98</b>
<b>Net total</b>			<b>(15,155.40)</b>	<b>(14,206.24)</b>	<b>(949.16)</b>

FIGURE 6.26– GST accrual report

### Bank Transactions

Reporting > Reports > Banking > Bank transactions

Carry On Camping 1800 Albany Highway Maddington WA 6109 9459 1999				
<b>Bank transactions report</b>				
01 May 2023 - 31 May 2023				
Account No.	Account name	Deposit (\$)	Withdrawal (\$)	Balance (\$)
1-1110	Business Bank Account	15,253.50	43,837.90	5,030.60
1-1120	Business Investment Account	10,039.80	0.00	15,039.80
1-1170	Undeposited Funds Account	808.00	808.00	0.00
2-1110	Visa	1,465.00	289.80	(289.80)
1-1121	Petty Cash/Cash on Hand	36.00	36.00	100.00
<b>Grand total</b>		<b>27,602.30</b>	<b>44,971.70</b>	

FIGURE 6.27 – Bank transactions

## Trial Balance

Carry On Camping  
1800 Albany Highway  
Maddington WA 6109  
9459 1999

### Trial balance report

May 2023

Account no	Account name	Debit (\$)	Credit (\$)	YTD Debit (\$)	YTD Credit (\$)
1-1110	Business Bank Account		28,584.40	5,030.60	
1-1120	Business Investment Account	10,039.80		15,039.80	
1-1121	Petty Cash/Cash on Hand	0.00		100.00	
1-1200	Accounts Receivable	16,464.00		23,709.00	
1-1201	Less Prov'n for Doubtful Debts	130.00			145.00
1-1300	Inventory	0.00		10,700.00	
1-1310	Prepaid Insurance		446.00	444.00	
1-1311	Prepaid Advertising	3,600.00		3,600.00	
1-2110	Furniture & Equipment At Cost	3,000.00		11,400.00	
1-2120	Accum. Depr. Furniture & Equipment		105.00		4,515.00
1-2210	Improvements At Cost	0.00		5,000.00	
1-2220	Accum. Depr. Improvements		117.00		3,947.00
1-2310	Motor Vehicles At Cost	1,190.91		18,090.91	
1-2320	Accum. Depr. Motor Vehicles	11,563.11			376.89
2-1110	Visa	1,175.20			289.80
2-1140	Accounts Payable		9,899.00		15,239.00
2-1212	GST	3,657.16		47.16	
2-1350	PAYG Withholding Payable	1,019.00			1,616.00
2-1355	Superannuation Payable		202.98		679.98
2-1360	Wages & Salaries Payable		673.00		1,676.00
2-2105	Business Loan		13,650.00		13,650.00
3-1000	Owner's Capital		730.00		53,225.00
3-2000	Owner's Drawings	4,064.00		26,764.00	
4-1400	Sales Tents		14,160.00		123,060.00
4-1500	Sales Sleeping Equipment		692.73		17,492.73
4-1600	Sales Kitchen Equipment		6,380.00		55,130.00
4-1700	Sales Other		1,980.00		61,760.00
4-2100	Service Income		220.00		3,220.00
4-2200	Freight Income		150.00		1,350.00
4-2300	Discount Received		111.00		411.00
4-5000	Profit on sale of asset		40.00		40.00
4-5005	Other Income		254.55		254.55
4-5006	Interest Income		39.80		39.80
5-1400	Cost of Sales Tents	2,650.00		41,050.00	
5-1500	Cost of Sales Sleeping Equipment	1,873.64		10,033.64	
5-1600	Cost of Sales Kitchen Equipment	2,520.00		28,920.00	
5-1700	Cost of Sales Other	2,660.00		31,460.00	
5-2000	Freight Costs	200.00		750.00	
5-3000	Discount Allowed	75.91		325.91	
6-1110	Accounting & Bookkeeping	0.00		900.00	
6-1120	Advertising & Marketing	0.00		4,500.00	
6-1150	Bad Debts		130.00		130.00
6-1160	Bank Fees & Charges	10.00		210.00	
6-1250	Depreciation Expenses	598.89		3,968.89	
6-1300	Electricity Expenses	0.00		1,775.00	
6-1500	Insurance Expenses	446.00		4,896.00	
6-1700	Motor Vehicle Expenses	0.00		4,200.00	
6-4100	Payroll - Wages & Salaries	7,149.00		61,071.00	
6-4200	Payroll - Superannuation	679.98		5,802.98	
6-4280	Postage & Stationery	263.45		633.45	
6-4300	Rent Expense	3,500.00		33,500.00	
6-4320	Repairs & Maintenance	0.00		1,160.00	
6-4400	Staff Amenities	35.41		245.41	
6-4460	Telephone & Internet	0.00		2,920.00	
<b>Grand total</b>		<b>78,565.46</b>	<b>78,565.46</b>	<b>358,247.75</b>	<b>358,247.75</b>

FIGURE 6.28 – Trial Balance

## Profit & Loss

Filter Report: 2 May to 31 May  Year to date

The report will display to show the selected period and year to date figure, together with variances. Use 'Report options' to remove the variances and account numbers. To get this report to work as it should, the date was intentionally set as May 2 because the opening balances are dated May 1 and unfortunately there are also some transactions for the month on that date. The profit for May will be slightly incorrect.

Carry On Camping 1800 Albany Highway Maddington WA 6109 9459 1999		
<b>Profit and loss report</b>		
Accrual mode 02 May 2023 - 31 May 2023		
	Total	
	Actual	Year to date
<b>Income</b>		
Sales Tents	14,160.00	123,060.00
Sales Sleeping Equipment	692.73	17,492.73
Sales Kitchen Equipment	6,380.00	55,130.00
Sales Other	1,980.00	61,760.00
Service Income	220.00	3,220.00
Freight Income	150.00	1,350.00
Discount Received	111.00	411.00
Profit on sale of asset	0.00	40.00
Other Income	254.55	254.55
Interest Income	39.80	39.80
<b>Total Income</b>	<b>23,988.08</b>	<b>262,758.08</b>
<b>Cost Of Sales</b>		
Cost of Sales Tents	2,650.00	41,050.00
Cost of Sales Sleeping Equipment	1,873.64	10,033.64
Cost of Sales Kitchen Equipment	2,520.00	28,920.00
Cost of Sales Other	2,660.00	31,460.00
Freight Costs	200.00	750.00
Discount Allowed	75.91	325.91
<b>Total Cost Of Sales</b>	<b>9,979.55</b>	<b>112,539.55</b>
<b>Gross Profit</b>	<b>14,008.53</b>	<b>150,218.53</b>
<b>Expenses</b>		
Accounting & Bookkeeping	0.00	900.00
Advertising & Marketing	0.00	4,500.00
Bad Debts	0.00	(130.00)
Bank Fees & Charges	10.00	210.00
Depreciation Expenses	598.89	3,968.89
Electricity Expenses	0.00	1,775.00
Insurance Expenses	446.00	4,896.00
Motor Vehicle Expenses	0.00	4,200.00
<b>Payroll Expenses</b>		
Payroll - Wages & Salaries	8,152.00	61,071.00
Payroll- Superannuation	679.98	5,802.98
<b>Total Payroll Expenses</b>	<b>8,831.98</b>	<b>66,873.98</b>
Postage & Stationery	263.45	633.45
Rent Expense	0.00	33,500.00
Repairs & Maintenance	0.00	1,160.00
Staff Amenities	35.41	245.41
Telephone & Internet	0.00	2,920.00
<b>Total Expenses</b>	<b>10,185.73</b>	<b>125,652.73</b>
<b>Operating Profit</b>	<b>3,822.80</b>	<b>24,565.80</b>
<b>Net Profit</b>	<b>3,822.80</b>	<b>24,565.80</b>

FIGURE 6.29 – Profit & Loss Report

**Balance sheet report**

Accrual mode  
31 May 2023

	<b>Total</b>
<b>Assets</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
Business Bank Account	5,030.60
Business Investment Account	15,039.80
Petty Cash/Cash on Hand	100.00
<b>Total Bank Accounts</b>	<b>20,170.40</b>
Accounts Receivable	23,709.00
Less Prov'n for Doubtful Debts	(145.00)
Inventory	10,700.00
Prepaid Insurance	444.00
Prepaid Advertising	3,600.00
<b>Total Current Assets</b>	<b>58,478.40</b>
<b>Non Current Assets</b>	
<b>Furniture &amp; Equipment</b>	
Furniture & Equipment At Cost	11,400.00
Accum. Depr. Furniture & Equipment	(4,515.00)
<b>Total Furniture &amp; Equipment</b>	<b>6,885.00</b>
<b>Improvements</b>	
Improvements At Cost	5,000.00
Accum. Depr. Improvements	(3,947.00)
<b>Total Improvements</b>	<b>1,053.00</b>
<b>Motor Vehicles</b>	
Motor Vehicles At Cost	18,090.91
Accum. Depr. Motor Vehicles	(376.89)
<b>Total Motor Vehicles</b>	<b>17,714.02</b>
<b>Total Non Current Assets</b>	<b>25,652.02</b>
<b>Total Assets</b>	<b>84,130.42</b>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Credit Cards</b>	
Visa	289.80
<b>Total Credit Cards</b>	<b>289.80</b>
Accounts Payable	15,239.00
<b>GST Liabilities</b>	
GST	(47.16)
<b>Total GST Liabilities</b>	<b>(47.16)</b>
PAYG Withholding Payable	1,616.00
Superannuation Payable	679.98
Wages & Salaries Payable	1,676.00
<b>Total Current Liabilities</b>	<b>19,453.62</b>
<b>Non Current Liabilities</b>	
Business Loan	13,650.00
<b>Total Non Current Liabilities</b>	<b>13,650.00</b>
<b>Total Liabilities</b>	<b>33,103.62</b>
<b>Net Assets</b>	<b>51,026.80</b>
<b>Equity</b>	
Owner's Capital	53,225.00
Owner's Drawings	(26,764.00)
Current Year Profit/(Loss)	24,565.80
<b>Total Equity</b>	<b>51,026.80</b>

FIGURE 6.30 – Balance Sheet

## REVISION EXERCISE 1 (Cash business)

Marianna Anderson owns and runs a ballet school. She is a sole trader and employs a few part-time staff. She has been maintaining a manual accounting system but is finding it very time consuming. She wants you to set up MYOB for her and enter a few transactions to show her how to do it. The business is registered for GST and reports to the Australian Taxation Office quarterly.

You are required to:

- Create a new MYOB data file.
- Make changes to the Chart of Accounts (add, edit & delete).
- Enter opening General Ledger balances.
- Prepare an initial bank reconciliation.
- Record a variety of cheque, petty cash, and credit card transactions for the month.
- Use 'Undeposited Funds' and 'Transfer funds'.
- Prepare an end-of-month bank reconciliation.
- Print or display reports for the month.

### *Create a new data file*

Business name: **Aspirations Ballet School**  
ABN: **55 246 369 280**  
Address: **16 Stepney Street**  
**Launceston TAS 7250**  
Phone: **6344 8855**  
Current financial year: **202\_**  
Last month of financial year: **June**  
Opening balance date: **February**  
Industry: **Other services**

### *Chart of Accounts*

#### **Add accounts**

Account No.	Account Name	Level	Tax Code
1-1130	Petty Cash/ Cash on Hand	Detail	N-T
1-2000	Non-Current Assets	Header	
1-2120	Accum. Depr. Studio Equipment	Detail	N-T
1-2200	Office Equipment	Header	
1-2210	Office Equipment @ Cost	Detail	CAP
1-2220	Accum. Depr. Office Equipment	Detail	N-T
1-2300	Motor Vehicles	Header	
1-2310	Motor Vehicles @ Cost	Detail	CAP
1-2320	Accum Depr. Motor Vehicles	Detail	N-T
4-1500	Private Lessons	Detail	GST
4-1600	Costume Sales	Detail	GST
5-1000	Costume purchases for resale	Detail	GST
6-1480	Equipment Hire	Detail	GST
6-4300	Rent Expenses	Detail	GST

**TABLE 6.3 – Add accounts**

## Edit accounts

Account No.	Old Name	New Name	Level	Tax Code
1-1110	Bank Account 1	Cheque Account	Detail	N-T
1-1120	Bank Account 2	Cash Management Account	Detail	N-T
1-2100	Property, Plant & Equipment	Studio Equipment	Header	
1-2110	Equipment, Furniture & Vehicles	Studio Equipment @ Cost	Detail	CAP
2-1110	Credit Card	Visa	Detail	N-T
3-1000	Personal Income	Owner's Capital	Detail	N-T
3-2000	Personal Expenses	Owner's Drawings	Detail	N-T
4-1400	Sales	Ballet Classes	Detail	GST
4-5005	Other Income	Interest Income	Detail	ITS
5-2000	Purchases	Costumes for resale	Detail	GST
6-1210	Contractor Fees & Commissions	Depreciation Expenses	Detail	N-T
6-1470	Freight Courier & Postage	Electricity Expenses	Detail	GST
6-1640	Merchant Fees	Insurance Expenses	Detail	GST

TABLE 6.4 – Edit accounts

## Enter opening balances

Aspirations Ballet School 16 Stepney Street Launceston TAS 7250 6344 8855			
<b>Trial balance report</b>			
Jan 2023			
Account no	Account name	Debit (\$)	Credit (\$)
1-1110	Cheque Account	5,290.00	
1-1120	Cash Management Account	5,000.00	
1-1130	Petty Cash/Cash on Hand	100.00	
1-2110	Studio Equipment @ Cost	16,000.00	
1-2120	Accum. Depr. Studio Equipment		3,500.00
1-2210	Office Equipment @ Cost	5,250.00	
1-2220	Accum. Depr. Office Equipment		730.00
1-2310	Motor Vehicles @ Cost	17,500.00	
1-2320	Accum. Depr. Motor Vehicles		6,290.00
2-1110	Visa		460.00
2-1212	GST		1,450.00
2-1350	PAYG Withholding Payable		320.00
3-1000	Owner's Capital		27,353.00
3-2000	Owner's Drawings	7,000.00	
4-1400	Ballet Classes		38,500.00
4-1500	Private Lessons		2,200.00
4-1600	Costume Sales		1,850.00
4-5005	Interest Income		117.00
5-2000	Costumes for resale	1,295.00	
6-1120	Advertising & Marketing	1,150.00	
6-1160	Bank Fees & Charges	70.00	
6-1210	Depreciation Expenses	3,370.00	
6-1470	Electricity Expenses	595.00	
6-1480	Equipment Hire	850.00	
6-1640	Insurance Expenses	1,110.00	
6-1700	Motor Vehicle Expenses	870.00	
6-3015	Other Business Expenses	150.00	
6-4100	Payroll - Wages & Salaries	9,500.00	
6-4280	Printing & Stationery	90.00	
6-4300	Rent Expenses	7,000.00	
6-4460	Telephone & Internet	580.00	
<b>Grand total</b>		<b>82,770.00</b>	<b>82,770.00</b>

FIGURE 6.31 – Opening balances

## Bank Reconciliation

31<sup>st</sup> January 202\_

Dr Balance per cash book			\$5,290.00
Add Outstanding Cheques			
529	Ryan's Hire	220.00	
531	Acme Insurance	<u>585.00</u>	<u>805.00</u>
Cr Balance per Bank Statement			<u>\$6,095.00</u>

TABLE 6.5 – Manual bank reconciliation

### Transactions

**Note:** Receipts are cash unless otherwise stated, and takings are usually banked only once a week. Use 'Receive Money' to record the income as invoices are not issued. Amounts are GST inclusive unless otherwise stated.

1/02/202_	Ballet class income for the day was \$600, not yet banked.
3/02/202_	Purchased some costumes for resale from Costumes Galore. The cost of \$792 was paid by cheque no. 533.
4/02/202_	Received a cheque for \$120 for private lessons given to Mrs Jones' daughter. Not yet banked.
5/02/202_	Banked receipts to date of \$720.
6/02/202_	Marianna used her Visa card to pay Telstra \$297 for the telephone bill she received today.
7/02/202_	Received and banked a cheque from Launceston High School for ballet classes given to students, \$1,540.
7/02/202_	Purchased some stationery \$110 at the post office. These paid for with Visa.
7/02/202_	Cheque no. 534 for \$760 was drawn to pay gross wages of \$800, less PAYG Withholding \$40.
8/02/202_	Ballet class income for the day was \$750. Not yet banked.
12/02/202_	Students paid \$950 for costumes. Banked \$1,700 today.
13/02/202_	Paid monthly rent of \$1,000 (plus GST) to Orion Holdings Pty Ltd by cheque no. 535.
14/02/202_	Paid \$69 cash (petty cash) to Advantage Store for food purchased for a staff training day. Food to the value of \$46 includes GST, and \$23 is GST free.
15/02/202_	Ballet class income for the day was \$800. Not yet banked.
17/02/202_	Received a cheque for \$150 from Mrs Sparks for private lessons for her son. Not yet banked.
19/02/202_	Used the Visa card to pay the electricity bill of \$246 to Tasmanian Electricity Company.
19/02/202_	Paid Visa the \$460 owing on the Visa card by cheque no. 536.
19/02/202_	Banked \$950 today.
20/02/202_	Cheque no. 537 was drawn in favour of the Australian Taxation Office to pay the amount of \$1,328 owing on the BAS. GST \$1,088, and PAYG Withholding \$240.
21/02/202_	Paid gross wages of \$850 by cheque no. 538 for \$805. PAYG Withholding deducted was \$45.
22/02/202_	Ballet class income for the day was \$900. Not yet banked.

26/02/2023\_ Interest of \$16.67 (ITS) earned on the Cash Management Account was paid into the cheque account by the bank.

26/02/2023\_ Banked \$900 today.

28/02/2023\_ Wrote a cash cheque no. 539 for \$1,069. \$69 was to reimburse petty cash and the balance was the owner's drawings.

The bank statement for February shows a balance of \$6,120.67 at the end of the month. The only outstanding item was cheque no. 537 and bank fees were \$10.

**Tip:** The quick way to reconcile the account when this is the only information provided is to click the  at the top of the column. This will place ticks against all items. Remove the tick from the item(s) outstanding and record the bank fees.

Print or display these reports for February:

- Banking reconciliation
- Bank transactions
- Balance sheet

Aspirations Ballet School 16 Stepney Street Launceston TAS 7250 6344 8855				
<b>Bank reconciliation</b>				
28 Feb 2023				
Account number	Account name	Date last reconciled	Last reconciled balance (\$)	Account balance (\$)
1-1110	Cheque Account	28/02/2023	6,120.67	4,792.67
<b>Reconciliation</b>				<b>Value (\$)</b>
Account balance on 28/02/2023				4,792.67
Add: Outstanding withdrawals				1,328.00
Subtotal				6,120.67
Deduct: Outstanding deposits				0.00
<b>Expected balance on bank statement</b>				<b>6,120.67</b>
<b>Outstanding withdrawals</b>				
Reference number	Transaction date	Description	Deposit (\$)	Withdrawal (\$)
537	20/02/2023	ATO - BAS payment		1,328.00
<b>Total</b>			<b>0.00</b>	<b>1,328.00</b>
<b>Reconciled withdrawals</b>				
Reference number	Transaction date	Description	Deposit (\$)	Withdrawal (\$)
529	01/02/2023	Ryan's Hire		220.00
531	01/02/2023	Acme Insurance		585.00
533	03/02/2023	Costumes Galore		792.00
534	07/02/2023	Wages		760.00
535	13/02/2023	Orion Holdings Pty Ltd - Rent		1,100.00
536	19/02/2023	Pay Visa		460.00
538	21/02/2023	Wages		805.00
539	28/02/2023	Cash drawings and petty cash reimbursement		1,069.00
Bank	28/02/2023	Bank fees		10.00
<b>Total</b>			<b>0.00</b>	<b>5,801.00</b>
<b>Reconciled deposits</b>				
Reference number	Transaction date	Description	Deposit (\$)	Withdrawal (\$)
TR000001	05/02/2023	Banking	720.00	
CR000003	07/02/2023	Launceston High School	1,540.00	
TR000002	12/02/2023	Banking	1,700.00	
TR000003	19/02/2023	Banking	950.00	
CR000009	26/02/2023	Cash Management interest	16.67	
TR000004	26/02/2023	Banking	900.00	
<b>Total</b>			<b>5,826.67</b>	<b>0.00</b>

FIGURE 6.32 – Banking reconciliation

### Bank transactions report

01 Feb 2023 - 28 Feb 2023

Account No.	Account name			Deposit (\$)	Withdrawal (\$)	Balance (\$)
<b>1-1110</b>	<b>Cheque Account</b>					
Date	Reference	Type	Description	Deposit (\$)	Withdrawal (\$)	Balance(\$)
01/02/2023	529	Spend money	Ryan's Hire		220.00	5,070.00
01/02/2023	529	Spend money	Ryan's Hire	220.00		5,290.00
01/02/2023	531	Spend money	Acme Insurance		585.00	4,705.00
01/02/2023	531	Spend money	Acme Insurance	585.00		5,290.00
03/02/2023	533	Spend money	Costumes Galore		792.00	4,498.00
05/02/2023	TR000001	Transfer money	Banking	720.00		5,218.00
07/02/2023	534	Spend money	Wages		760.00	4,458.00
07/02/2023	CR000003	Receive money	Launceston High School	1,540.00		5,998.00
12/02/2023	TR000002	Transfer money	Banking	1,700.00		7,698.00
13/02/2023	535	Spend money	Orion Holdings Pty Ltd - Rent		1,100.00	6,598.00
19/02/2023	536	Spend money	Pay Visa		460.00	6,138.00
19/02/2023	TR000003	Transfer money	Banking	950.00		7,088.00
20/02/2023	537	Spend money	ATO - BAS payment		1,328.00	5,760.00
21/02/2023	538	Spend money	Wages		805.00	4,955.00
26/02/2023	TR000004	Transfer money	Banking	900.00		5,855.00
26/02/2023	CR000009	Receive money	Cash Management interest	16.67		5,871.67
28/02/2023	539	Spend money	Cash drawings and petty cash reimbursement		1,069.00	4,802.67
28/02/2023	Bank	Spend money	Bank fees		10.00	4,792.67
<b>Total</b>				<b>6,431.67</b>	<b>7,129.00</b>	
<b>1-1170</b>	<b>Undeposited Funds Account</b>					
Date	Reference	Type	Description	Deposit (\$)	Withdrawal (\$)	Balance(\$)
01/02/2023	CR000001	Receive money	Ballet class income	600.00		600.00
04/02/2023	CR000002	Receive money	Mrs Jones private lessons	120.00		720.00
05/02/2023	TR000001	Transfer money	Banking		720.00	0.00
08/02/2023	CR000004	Receive money	Ballet classes	750.00		750.00
12/02/2023	TR000002	Transfer money	Banking		1,700.00	(950.00)
12/02/2023	CR000005	Receive money	Costume sales	950.00		0.00
15/02/2023	CR000006	Receive money	Ballet classes	800.00		800.00
17/02/2023	CR000007	Receive money	Private lessons Mrs Sparks	150.00		950.00
19/02/2023	TR000003	Transfer money	Banking		950.00	0.00
22/02/2023	CR000008	Receive money	Ballet classes	900.00		900.00
26/02/2023	TR000004	Transfer money	Banking		900.00	0.00
<b>Total</b>				<b>4,270.00</b>	<b>4,270.00</b>	
<b>2-1110</b>	<b>Visa</b>					
Date	Reference	Type	Description	Deposit (\$)	Withdrawal (\$)	Balance(\$)
06/02/2023	1	Spend money	Telstra		297.00	(757.00)
07/02/2023	2	Spend money	Post Office		110.00	(867.00)
19/02/2023	3	Spend money	Tasmanian Electricity Company		246.00	(1,113.00)
19/02/2023	536	Spend money	Pay Visa	460.00		(653.00)
<b>Total</b>				<b>460.00</b>	<b>653.00</b>	
<b>1-1130</b>	<b>Petty Cash/Cash on Hand</b>					
Date	Reference	Type	Description	Deposit (\$)	Withdrawal (\$)	Balance(\$)
14/02/2023	1	Spend money	Advantage Store		69.00	31.00
28/02/2023	539	Spend money	Cash drawings and petty cash reimbursement	69.00		100.00
<b>Total</b>				<b>69.00</b>	<b>69.00</b>	
<b>Grand total</b>				<b>11,430.67</b>	<b>12,121.00</b>	

FIGURE 6.33 – Bank transactions

## Balance sheet report

Accrual mode  
28 Feb 2023

	Total
<b>1-0000 Assets</b>	
<b>1-1000 Current Assets</b>	
<b>1-1100 Bank Accounts</b>	
1-1110 Cheque Account	4,792.67
1-1120 Cash Management Account	5,000.00
1-1130 Petty Cash/Cash on Hand	100.00
<b>Total Bank Accounts</b>	<b>9,892.67</b>
<b>Total Current Assets</b>	<b>9,892.67</b>
<b>1-2000 Non-Current Assets</b>	
<b>1-2100 Studio Equipment</b>	
1-2110 Studio Equipment @ Cost	16,000.00
1-2120 Accum. Depr. Studio Equipment	(3,500.00)
<b>Total Studio Equipment</b>	<b>12,500.00</b>
<b>1-2200 Office Equipment</b>	
1-2210 Office Equipment @ Cost	5,250.00
1-2220 Accum. Depr. Office Equipment	(730.00)
<b>Total Office Equipment</b>	<b>4,520.00</b>
<b>1-2300 Motor Vehicles</b>	
1-2310 Motor Vehicles @ Cost	17,500.00
1-2320 Accum. Depr. Motor Vehicles	(6,290.00)
<b>Total Motor Vehicles</b>	<b>11,210.00</b>
<b>Total Non-Current Assets</b>	<b>28,230.00</b>
<b>Total Assets</b>	<b>38,122.67</b>
<b>2-0000 Liabilities</b>	
<b>2-0010 Current Liabilities</b>	
<b>2-1100 Credit Cards</b>	
2-1110 Visa	653.00
<b>Total Credit Cards</b>	<b>653.00</b>
<b>2-1211 GST Liabilities</b>	
2-1212 GST	654.65
<b>Total GST Liabilities</b>	<b>654.65</b>
2-1350 PAYG Withholding Payable	165.00
<b>Total Current Liabilities</b>	<b>1,472.65</b>
<b>Total Liabilities</b>	<b>1,472.65</b>
<b>Net Assets</b>	<b>36,650.02</b>
<b>3-0000 Equity</b>	
3-1000 Owner's Capital	27,353.00
3-2000 Owner's Drawings	(8,000.00)
3-9000 Current Year Profit/(Loss)	17,297.02
<b>Total Equity</b>	<b>36,650.02</b>

FIGURE 6.34 – Balance sheet

## REVISION EXERCISE 2 (Cash business)

Ken Long and Peter South have owned and operated a pest control company in Ballarat, Victoria for several years. Both shareholders loaned money to the company and borrowed the remainder from the bank so that they could purchase land, build a warehouse, and buy equipment. The business is registered for GST, and they remit to the Australian Taxation Office quarterly.

You are required to:

- Create a new MYOB data file.
- Make changes to the Chart of Accounts (add, edit & delete).
- Enter opening General Ledger balances.
- Record a variety of banking and general journal transactions for the month.
- Prepare an end-of-month bank reconciliation.
- Print or display reports for the month.

### *Create a new data file*

Business name: **Seek & Destroy Pty Ltd**  
ABN: **16 059 111 409**  
Address: **502 Subway Road**  
**Ballarat VIC 3350**  
Phone: **9429 1395**  
Current financial year: **202\_**  
Last month of financial year: **June**  
Opening balance date: **July**  
Industry: **Other services**

### *Chart of Accounts*

#### **Add accounts**

Account number	Account name	Level	Tax code
1-1360	Prepayments	Header	
1-1361	Prepaid Insurance	Detail	N-T
1-1362	Prepaid Rates & Taxes	Detail	N-T
1-2000	Non-Current Assets	Header	
1-2200	Land @ Cost	Detail	N-T
1-2300	Office Equipment	Header	
1-2310	Office Equipment @ Cost	Detail	CAP
1-2320	Accum. Depr. Office Equipment	Detail	N-T
1-2500	Motor Vehicles	Header	
1-2600	Warehouse Equipment	Header	
1-2610	Warehouse Equipment @ Cost	Detail	CAP
1-2620	Accum. Depr. Warehouse Equipment	Detail	N-T
2-1360	Wages & Salaries Payable	Detail	N-T
2-2110	Shareholder Loans	Header	
2-2111	Shareholder Loan – K Long	Detail	N-T
2-2112	Shareholder Loan – P South	Detail	N-T

**TABLE 6.6 – Add accounts**

## Edit accounts

Account number	Old Name	New Name	Level	Tax code
1-1110	Business Bank Account #1	Business Bank Account	Detail	N-T
1-2100	Property, Plant & Equipment	Buildings & Improvements	Header	
1-2110	Plant & Equipment	Buildings & Improvements @ Cost	Detail	CAP
1-2120	Accum. Depr. Plant & Equipment	Accum. Depr. Buildings & Improvements	Detail	N-T
1-2510	Motor Vehicles	Motor Vehicles @ Cost	Detail	CAP
2-1110	Credit Card #1	AMEX	Detail	N-T
2-2105	Business Loan #1	Business Loan	Detail	N-T
3-1000	Owner's Funds Introduced...	Share Capital	Detail	N-T
4-1300	Professional Fees	Annual Contract Income	Detail	GST
4-1400	Sales	Non-Contractual Income	Detail	GST
5-2000	Purchases	Pesticide Purchases	Detail	GST
6-4310	Rent	Rates & Taxes	Detail	FRE

TABLE 6.7 – Edit accounts

## Enter opening balances

Seek & Destroy Pty Ltd 502 Subway Road Ballarat VIC 3350 9429 1395			
<b>Trial balance report</b>			
Jun 2022			
Account no	Account name	Debit (\$)	Credit (\$)
1-1110	Business Bank Account	18,300.00	
1-1361	Prepaid Insurance	3,500.00	
1-2110	Buildings & Improvements @ Cost	380,000.00	
1-2120	Accum. Depr. Buildings & Improvements		15,200.00
1-2200	Land @ Cost	120,000.00	
1-2310	Office Equipment @ Cost	8,200.00	
1-2320	Accum. Depr. Office Equipment		1,950.00
1-2510	Motor Vehicles @ Cost	85,000.00	
1-2520	Accum. Depr. Motor Vehicles		21,250.00
1-2610	Warehouse Equipment @ Cost	19,600.00	
1-2620	Accum. Depr. Warehouse Equipment		5,270.00
2-1212	GST Balance		2,330.00
2-1350	PAYG Withholding Payable		2,200.00
2-1360	Wages & Salaries Payable		1,900.00
2-2105	Business Loan		435,000.00
2-2111	Shareholder Loan - K Long		60,000.00
2-2112	Shareholder Loan - P South		60,000.00
3-1000	Share Capital		20.00
3-8000	Retained Earnings		29,480.00
<b>Grand total</b>		<b>634,600.00</b>	<b>634,600.00</b>

FIGURE 6.35– Opening balances

## Transactions

**Note:** The company uses the 'asset method' when accounting for prepaid expenses. Only hand-written invoices are issued, and credit is not provided to customers.

- 1/07/202\_ Reverse wages accrued at 30/6/202\_ of \$1,900.
- 1/07/202\_ The bank made a repayment of \$2,500 from our cheque account to the bank loan.
- 3/07/202\_ Purchased a forklift for the warehouse from Crown Forklifts. Cost was \$7,700 (including GST) and this was paid for with cheque no. 789.

5/07/202\_ Banked cash income for the week. Annual Contracts - \$3,740, Non-Contractual Services - \$550. (All figures include GST).

8/07/202\_ Purchased pesticides from Hardie & Co. Invoice total \$1,650 including GST was paid by cheque no. 790.

12/07/202\_ Paid net wages of \$3,200 by cheque no. 791. Gross wages \$3,600, PAYG Withholding \$400.

12/07/202\_ Received and banked a cheque from Highline Building Company for non-contractual services of \$1,375 (including GST).

15/07/202\_ Purchased stationery from Officeworks for \$110 including GST with AMEX.

16/07/202\_ Paid the annual council rates for the property. \$3,100 (GST free) with the AMEX card.

19/07/202\_ Banked cash income totalling \$2,860 (includes GST). Annual Contracts - \$2,288, Non-Contractual Services - \$572.

22/07/202\_ Paid the electricity bill of \$476 (including GST) to Vic Power with cheque no. 792.

23/07/202\_ Paid \$4,530 to the Australian Taxation Office for the Business Activity Statement by cheque no. 793. PAYG Withholding Payable \$2,200, GST \$2,330.

26/07/202\_ Paid net wages of \$1,800 by cheque no. 794. PAYG Withholding \$300.

31/07/202\_ Banked cash income of \$3,630 (including GST) all from Annual Contracts.

***End of month adjustments***

31/07/202\_ Depreciation to be written off for the month is \$792 for Buildings, \$103 for Office Equipment, \$333 for Warehouse Equipment and \$1,328 for Motor Vehicles.

31/07/202\_ Prepaid Insurance applicable for the month is \$318. (No GST)

31/07/202\_ Transfer \$258.33 of the prepaid council rates to the expense account. (No GST)

31/07/202\_ Record \$630 wages accrued at the end on the month.

31/07/202\_ Interest (GST Free) charged to our bank loan account was \$2,392.50.

31/07/202\_ Bank statement balance is \$13,119 and bank fees for the month were \$10. The only outstanding item is cheque no. 793.

Print or display these reports for July:

- Banking reconciliation
- Profit & Loss
- GST report
- Balance Sheet

## Bank reconciliation

31 Jul 2022

Account number	Account name	Date last reconciled	Last reconciled balance (\$)	Account balance (\$)
1-1110	Business Bank Account	31/07/2022	13,119.00	8,589.00
<b>Reconciliation</b>				<b>Value (\$)</b>
Account balance on 31/07/2022				8,589.00
Add: Outstanding withdrawals				4,530.00
Subtotal				13,119.00
Deduct: Outstanding deposits				0.00
<b>Expected balance on bank statement</b>				<b>13,119.00</b>
<b>Outstanding withdrawals</b>				
Reference number	Transaction date	Description	Deposit (\$)	Withdrawal (\$)
793	23/07/2022	ATO - BAS		4,530.00
<b>Total</b>			<b>0.00</b>	<b>4,530.00</b>
<b>Reconciled withdrawals</b>				
Reference number	Transaction date	Description	Deposit (\$)	Withdrawal (\$)
Bank	01/07/2022	Loan repayment		2,500.00
789	03/07/2022	Crown Forklifts		7,700.00
790	08/07/2022	Hardie & Co		1,650.00
791	12/07/2022	Wages		3,200.00
792	22/07/2022	Vic Power		476.00
794	26/07/2022	Wages		1,800.00
Bank	31/07/2022	Bank fees		10.00
<b>Total</b>			<b>0.00</b>	<b>17,336.00</b>
<b>Reconciled deposits</b>				
Reference number	Transaction date	Description	Deposit (\$)	Withdrawal (\$)
CR000001	05/07/2022	Income for the week	4,290.00	
CR000002	12/07/2022	Highline Building Company	1,375.00	
CR000003	19/07/2022	Income for the week	2,860.00	
CR000004	31/07/2022	Income for the week	3,630.00	
<b>Total</b>			<b>12,155.00</b>	<b>0.00</b>

FIGURE 6.36 – Reconciliation Report

## Profit and loss report

Accrual mode  
 01 Jul 2022 - 31 Jul 2022

	Total
<b>4-0000 Income</b>	
4-1300 Annual Contract Income	8,780.00
4-1400 Non-Contractual Income	2,270.00
<b>Total Income</b>	<b>11,050.00</b>
<b>5-0000 Cost Of Sales</b>	
5-2000 Pesticide Purchases	1,500.00
<b>Total Cost Of Sales</b>	<b>1,500.00</b>
<b>Gross Profit</b>	<b>9,550.00</b>
<b>6-0000 Expenses</b>	
6-1160 Bank Fees	10.00
6-1300 Depreciation	2,556.00
6-1430 Electricity & Gas	432.73
<b>6-1540 Insurance Expenses</b>	
6-1550 Insurance	318.00
<b>Total Insurance Expenses</b>	<b>318.00</b>
<b>6-4000 Payroll Expenses</b>	
6-4100 Payroll - Wages & Salaries	4,430.00
<b>Total Payroll Expenses</b>	<b>4,430.00</b>
6-4280 Printing & Stationery	100.00
6-4310 Rates & Taxes	258.33
<b>Total Expenses</b>	<b>8,105.06</b>
<b>Operating Profit</b>	<b>1,444.94</b>
<b>9-0000 Other Expenses</b>	
9-1000 Interest Expense	2,392.50
<b>Total Other Expenses</b>	<b>2,392.50</b>
<b>Net Profit</b>	<b>(947.56)</b>

FIGURE 6.37 - Profit & Loss

## GST report

Accrual mode  
 01 Jul 2022 - 31 Jul 2022

Sales and income					
Code	Description	Rate (%)	Tax Inclusive (\$)	Tax Exclusive (\$)	Tax Collected (\$)
N-T	Not Reportable	0	(1,900.00)	(1,900.00)	0.00
GST	Goods & Services Tax	10	12,155.00	11,050.00	1,105.00
<b>Total sales and income</b>			<b>10,255.00</b>	<b>9,150.00</b>	<b>1,105.00</b>
Purchases and expenses					
Code	Description	Rate (%)	Tax Inclusive (\$)	Tax Exclusive (\$)	Tax paid (\$)
N-T	Not Reportable	0	7,737.50	7,737.50	0.00
CAP	Capital Acquisitions	10	7,700.00	7,000.00	700.00
GST	Goods & Services Tax	10	2,236.00	2,032.73	203.27
FRE	GST Free	0	5,502.50	5,502.50	0.00
<b>Total purchases and expenses</b>			<b>23,176.00</b>	<b>22,272.73</b>	<b>903.27</b>
<b>Net total</b>			<b>(12,921.00)</b>	<b>(13,122.73)</b>	<b>201.73</b>

FIGURE 6.38 - GST report

## Balance sheet report

Accrual mode  
 31 Jul 2022

	Total
<b>1-0000 Assets</b>	
<b>1-1000 Current Assets</b>	
<b>1-1100 Bank Accounts</b>	
1-1110 Business Bank Account	8,589.00
<b>Total Bank Accounts</b>	<b>8,589.00</b>
<b>1-1360 Prepayments</b>	
1-1361 Prepaid Insurance	3,182.00
1-1362 Prepaid Rates & Taxes	2,841.67
<b>Total Prepayments</b>	<b>6,023.67</b>
<b>Total Current Assets</b>	<b>14,612.67</b>
<b>1-2000 Non-Current Assets</b>	
<b>1-2100 Buildings &amp; Improvements</b>	
1-2110 Buildings & Improvements @ Cost	380,000.00
1-2120 Accum. Depr. Buildings & Improvements	(15,992.00)
<b>Total Buildings &amp; Improvements</b>	<b>364,008.00</b>
1-2200 Land @ Cost	120,000.00
<b>1-2300 Office Equipment</b>	
1-2310 Office Equipment @ Cost	8,200.00
1-2320 Accum. Depr. Office Equipment	(2,053.00)
<b>Total Office Equipment</b>	<b>6,147.00</b>
<b>1-2500 Motor Vehicles</b>	
1-2510 Motor Vehicles @ Cost	85,000.00
1-2520 Accum. Depr Motor Vehicles	(22,578.00)
<b>Total Motor Vehicles</b>	<b>62,422.00</b>
<b>1-2600 Warehouse Equipment</b>	
1-2610 Warehouse Equipment @ Cost	26,600.00
1-2620 Accum. Depr. Warehouse Equipment	(5,603.00)
<b>Total Warehouse Equipment</b>	<b>20,997.00</b>
<b>Total Non-Current Assets</b>	<b>573,574.00</b>
<b>Total Assets</b>	<b>588,186.67</b>
<b>2-0000 Liabilities</b>	
<b>2-0010 Current Liabilities</b>	
<b>2-1100 Credit Cards</b>	
2-1110 AMEX	3,210.00
<b>Total Credit Cards</b>	<b>3,210.00</b>
<b>2-1211 GST Liabilities</b>	
2-1212 GST Balance	201.73
<b>Total GST Liabilities</b>	<b>201.73</b>
2-1350 PAYG Withholding Payable	700.00
2-1360 Wages & Salaries Payable	630.00
<b>Total Current Liabilities</b>	<b>4,741.73</b>
<b>2-2000 Non Current Liabilities</b>	
2-2105 Business Loan	434,892.50
<b>2-2110 Shareholder Loans</b>	
2-2111 Shareholder Loan - K Long	60,000.00
2-2112 Shareholder Loan - P South	60,000.00
<b>Total Shareholder Loans</b>	<b>120,000.00</b>
<b>Total Non Current Liabilities</b>	<b>554,892.50</b>
<b>Total Liabilities</b>	<b>559,634.23</b>
<b>Net Assets</b>	<b>28,552.44</b>
<b>3-0000 Equity</b>	
3-1000 Share Capital	20.00
3-8000 Retained Earnings	29,480.00
3-9000 Current Year Earnings	(947.56)
<b>Total Equity</b>	<b>28,552.44</b>

FIGURE 6.39 – Balance Sheet

### REVISION EXERCISE 3

BJF Painters & Decorators are a small business owned by Bob & Jenny Freeman. The structure of the business is that of a partnership with one employee. Occasionally a subcontractor's services are required. The business is registered with the Australian Taxation Office for the Goods and Services Tax (GST).

You are required to:

- Create a new MYOB data file.
- Make changes to the Chart of accounts (add, edit & delete).
- Change linked accounts as specified.
- Enter opening General Ledger balances.
- Setup customer and supplier cards and enter opening balances.
- Prepare an initial bank reconciliation.
- Record a variety of transactions for the month.
- Prepare an end-of-month bank reconciliation.
- Print or display reports for the month.

#### *Accounting Instructions:*

- The business uses the '**asset method**' to account for prepaid expenses.
- All unit costs / prices and freight charges are **including GST** unless stated otherwise.
- Use **Service Invoices** are for all credit sales and purchases.
- The 'Painting Income' account is used for all painting & decorating services provided.
- The business does not record inventory items.
- Only create cards for customers or suppliers when terms of trade and credit limit details or an ABN is provided.

#### *Create a new data file:*

Business name:	<b>BJF Painters &amp; Decorators</b>
ABN:	<b>66 000 014 575</b>
Address:	<b>8 Clifton Street, Byford WA 6122</b>
Phone:	<b>9525 1828</b>
Current financial year:	<b>202_</b>
Last month of financial year:	<b>June</b>
Opening balance date:	<b>December</b>
Industry:	<b>Trades and construction</b>

## Chart of accounts

### Edit accounts

Account No.	Old Name	Account No.	New Name	Level	Tax Code
3-1000	Owner's Funds Introduced...	3-1015	Capital Contributions BF	Detail	N-T
3-2000	Owner's Drawings...	3-2015	Capital Contributions JF	Detail	N-T

**TABLE 6.8 – Edit equity accounts**

### Add accounts

Account No.	Account Name	Level	Tax Code
3-1000	Bob Freeman	Header	
3-1010	Retained Earnings BF	Detail	N-T
3-1020	Current Earnings BF	Detail	N-T
3-1025	Drawings BF	Detail	N-T
3-2000	Jenny Freeman	Header	
3-2010	Retained Earnings JF	Detail	N-T
3-2020	Current Earnings JF	Detail	N-T
3-2025	Drawings JF	Detail	N-T

**TABLE 6.9 – Add equity accounts**

When you have added the accounts in table 6.9 move the subaccounts to their appropriate equity header accounts. Make sure they subtotal for that section on reports.

### Add Accounts

Account No.	Account Name	Account Type	Level	Tax Code
1-1120	Cash Management Account	Bank	Detail	N-T
1-1360	Prepaid Advertising	Other Current Asset	Detail	N-T
1-1370	Prepaid Insurance	Other Current Asset	Detail	N-T
2-1360	Wages & Salaries Payable	Other Current Liability	Detail	N-T
4-2000	Discount Received	Income	Detail	GST
5-4000	Discount Given	Cost of Sales	Detail	GST

**TABLE 6.10 – Add accounts**

### Edit Accounts

Account No.	Old Name	New Name	Level	Tax Code
1-1110	Business Bank Account #1	ANZ Bank cheque account	Detail	N-T
2-1110	Credit Card #1	Mastercard	Detail	N-T
2-2100	Business Loan #1	Business Loan	Detail	N-T
4-1180	Construction Income	Painting Income	Detail	GST

**FIGURE 6.11 – Edit accounts**

- Activate linked account for Sales – I give discounts for early payment – 5-4000 Discount Given.
- Activate linked account for Purchases – I take discounts for early payment – 4-2000 Discount Received.
- Activate linked account for Purchases – I pay freight on purchases – 6-1470 Freight, Courier & Postage.
- Allocate partnership income 50% to each of the partners.

## Enter Opening Balances

BJF Painters & Decorators  
8 Clifton Street  
Byford WA 6122  
9525 1828

---

**Trial balance report**  
Nov 2022

Account no	Account name	Debit (\$)	Credit (\$)
1-1110	ANZ Bank cheque account	13,460.00	
1-1120	Cash Management Account	5,000.00	
1-1160	Petty Cash	200.00	
1-1200	Accounts Receivable	4,950.00	
1-1370	Prepaid Insurance	265.00	
1-2110	Plant & Equipment	37,850.00	
1-2120	Accum. Depr. Plant & Equipment		25,076.00
1-2510	Motor Vehicles	35,000.00	
1-2520	Accum. Depr Motor Vehicles		17,363.00
2-1110	Mastercard		765.00
2-1140	Accounts Payable		1,452.00
2-1212	GST Balance		1,807.00
2-1350	PAYG Withholding Payable		856.00
2-1360	Wages & Salaries Payable		190.00
2-2105	Business Loan		8,230.00
3-1010	Retained Earnings BF		17,136.00
3-1025	Drawings BF	6,000.00	
3-2010	Retained Earnings JF		17,136.00
3-2025	Drawings JF	6,000.00	
4-1180	Painting Income		56,260.00
4-2000	Discount Received		400.00
5-2250	Materials	4,650.00	
5-2380	Subcontractors	800.00	
6-1120	Advertising & Marketing	280.00	
6-1160	Bank Fees	50.00	
6-1300	Depreciation	4,416.00	
6-1430	Electricity & Gas	1,020.00	
6-1550	Insurance	1,325.00	
6-1700	Motor Vehicle Expenses	1,540.00	
6-4100	Payroll - Wages & Salaries	20,900.00	
6-4200	Superannuation	1,985.00	
6-4460	Telephone & Internet	750.00	
9-1000	Interest Expense	230.00	
<b>Grand total</b>		<b>146,671.00</b>	<b>146,671.00</b>

FIGURE 6.40 – Opening Balances

### Setup Customer Cards and enter opening balances

Contact type	Customer	Customer	Customer
Designation	Company	Company	Company
Name	Acme Insurance Co.	Professional Realty	Cash Sales
Customer terms	Net 30 days	5% 10/Net 30	C.O.D.
Invoice number	716	719	
Date	20/11/202_	29/11/202_	
Amount (Incl. Tax)	\$3,850	\$1,100	

TABLE 6.12 – Customer information

### Setup supplier cards and enter opening balances

Contact type	Supplier	Supplier	Supplier
Designation	Company	Company	Company
Name	Paint Warehouse	Protective Gear	Speciality Brush Company
ABN	91 128 237 310	26 080 631 889	49 009 143 623
Supplier Terms	10% 10/Net 30	Net 30 days	Net 30 days
PO number	563		562
Date	30/11/202_		15/11/202_
Invoice number	11390		3376
Amount (Incl. Tax)	\$1,100		\$352

FIGURE 6.13 – Supplier information

### Bank Reconciliation 30<sup>th</sup> November 202\_

Cr Balance per bank statement	\$13,636.00
Less Outstanding Cheque	
197 – Promotional Products	<u>176.00</u>
Dr Balance per cash book	<u>\$13,460.00</u>

TABLE 6.14 – Manual bank reconciliation

#### Transactions

1/12/202_	Reverse wages of \$190 accrued at the end of November.
2/12/202_	Transferred electronically \$765 from the cheque account to pay the Mastercard. (Use transfer money for this type of transfer.)
4/12/202_	Received and banked a cheque for \$1,045 from Professional Realty, being the amount owing by them less prompt payment discount.
5/12/202_	Cash purchase of toner cartridges for the computer printer from Officeworks for \$132 including GST. This was paid for from petty cash.
6/12/202_	Invoiced (invoice no. 721) Byford Community Centre (ABN 33 247 258 269 – terms net 30 days) \$880 for painting work done at the community centre as per their purchase order no. BCC137.
6/12/202_	Purchase order no. 564 sent to Protective Gear for the supply of protective clothing to the value of \$418 including GST.
10/12/202_	Purchased fuel for the motor vehicle from the Caltex Service Station to the value of \$121 including GST. This was paid for by Mastercard.
12/12/202_	Invoice Mr Bob Green (use Cash Sales) for painting work done at his home. He gave us a cheque for \$3,300 on completion of the job. The cheque has not yet been banked.
12/12/202_	Received the items ordered from Protective Gear together with their invoice no. 9163 for \$440 which included a freight charge of \$22.
13/12/202_	Wrote a cash cheque no. 199 for \$2,386. This was to pay wages for the fortnight (gross \$1,900 less PAYG withholding \$214) and \$350 drawings for each of the partners.
16/12/202_	Received a cheque for \$3,850 from Acme Insurance Co. in payment of the amount owing by them on invoice no. 716. This cheque has not yet been banked.

- 17/12/202\_ Received the telephone bill from Telstra for \$253 including GST and paid it immediately by Mastercard.
- 17/12/202\_ Purchase order sent to Paint Warehouse for paint to the value of \$550 including GST.
- 18/12/202\_ Received invoice no. 310 from Gary Atkinson (ABN 33 629 187 100 – Terms net 7 days) for subcontracting services provided. Invoice total \$440 including GST.
- 19/12/202\_ Purchased fuel for the motor vehicle from the Caltex Service Station to the value of \$132 including GST. This was paid for by Mastercard.
- 20/12/202\_ Banked \$7,150.
- 20/12/202\_ Invoice sent to Acme Insurance Co. for painting and decorating services provided to restore a damaged home. Total value of invoice \$2,640.
- 20/12/202\_ Received all the items ordered from Paint Warehouse together with their invoice no. 11472 for \$550.
- 23/12/202\_ Paid Byford Rubbish Tip \$33 including GST, cash (from petty cash) for disposal of empty paint tins (waste removal).
- 23/12/202\_ Purchase order sent to Speciality Brush Company for new paint brushes (materials) to the value of \$1188 including GST.
- 23/12/202\_ Received adjustment note no. 11479 for \$110 from Paint Warehouse for one tin of paint from the recent delivery that was returned to them because it was the wrong colour.
- 24/12/202\_ Received and banked a cheque for \$880 from the Byford Community Centre.
- 24/12/202\_ Invoice Mrs June Wilson for a painting and decorating job done at her home. She paid the amount due \$2,750 by EFTPOS.
- 24/12/202\_ Received invoice no. 312 from Gary Atkinson for subcontracting services provided. Invoice total \$660 including GST.
- 27/12/202\_ Wrote a cash cheque no. 200 for \$3,175. This was to pay wages for the fortnight (gross \$2,125 less PAYG withholding \$115), reimbursement of petty cash \$165, and \$500 each drawings for the partners.
- 27/12/202\_ Sent cheque no. 201 to Paint Warehouse in payment of the amount owing to them, less any prompt payment discount applicable.
- 30/12/202\_ Received all the items ordered from Speciality Brush Company together with their invoice no. 3424 for \$1,221 which included a freight charge of \$33.
- 30/12/202\_ Sent cheque no. 202 to Gary Atkinson in payment of all amounts owing to him.
- 31/12/202\_ Sent cheque no. 203 for \$3,519 to the Australian Taxation Office in payment of the December quarter BAS. This covered PAYG Withholding Payable of \$1,185, GST \$2,334.

ANZ BANK STATEMENT as at 31/12//202_				
Date	Particulars	Debit	Credit	Balance
1/12//202_	Opening Balance			13,636.00 CR
2/12//202_	Cheque #197	176.00		13,460.00 CR
2/12//202_	Transfer	765.00		12,695.00 CR
4/12//202_	Deposit		1,045.00	13,740.00 CR
13/12//202_	Cheque #199	2,386.00		11,354.00 CR
20/12//202_	Deposit		7,150.00	18,504.00 CR
24/12//202_	Deposit		880.00	19,384.00 CR
24/12//202_	Deposit		2,750.00	22,134.00 CR
24/12//202_	Cheque #200	3,175.00		18,959.00 CR
30/12//202_	Cheque #201	1,496.00		17,463.00 CR
31/12//202_	Loan Repayment	1,000.00		16,463.00 CR
31/12//202_	Bank Fees	12.00		16,451.00 CR

TABLE 6.15 – Bank statement

### End of month adjustments

- Interest earned on the cash management account for the month was \$8 and at the end of December the balance was \$5,008.
  - Interest charged on the bank loan for the month was \$34.
  - Transfer the remainder of the prepaid business insurance to the expense account.
  - Record accrued wages & salaries for the month of \$425.
  - Record superannuation payable for the month of \$423.
  - Record depreciation for the month (round to the nearest dollar)
    - Plant & Equipment: 15% p.a. prime cost (straight line or fixed instalment) method.
    - Motor Vehicles: 25% p.a. diminishing value (reducing balance) method.
- Hint:* \$2,050 has already been recorded so far for this year therefore the accumulated depreciation at the start of the year was \$15,313.

Print or display these reports for December:

- GST report
- Banking reconciliation
- Trial balance

BJF Painters & Decorators 8 Clifton Street Byford WA 6122 9525 1828					
<b>GST report</b>					
Accrual mode					
01 Dec 2022 - 31 Dec 2022					
<b>Sales and income</b>					
Code	Description	Rate (%)	Tax Inclusive (\$)	Tax Exclusive (\$)	Tax Collected (\$)
N-T	Not Reportable	0	(190.00)	(190.00)	0.00
GST	Goods & Services Tax	10	9,614.00	8,740.00	874.00
ITS	Input Taxed Sales	0	8.00	8.00	0.00
<b>Total sales and income</b>			<b>9,432.00</b>	<b>8,558.00</b>	<b>874.00</b>
<b>Purchases and expenses</b>					
Code	Description	Rate (%)	Tax Inclusive (\$)	Tax Exclusive (\$)	Tax paid (\$)
N-T	Not Reportable	0	10,032.00	10,032.00	0.00
GST	Goods & Services Tax	10	3,927.00	3,570.00	357.00
FRE	GST free	0	46.00	46.00	0.00
<b>Total purchases and expenses</b>			<b>14,005.00</b>	<b>13,648.00</b>	<b>357.00</b>
<b>Net total</b>			<b>(4,573.00)</b>	<b>(5,090.00)</b>	<b>517.00</b>

FIGURE 6.41 – GST [Summary - Accrual]

## Bank reconciliation

31 Dec 2022

Account number	Account name	Date last reconciled	Last reconciled balance (\$)	Account balance (\$)
1-1110	ANZ Bank cheque account	31/12/2022	16,451.00	11,832.00
<b>Reconciliation</b>				<b>Value (\$)</b>
Account balance on 31/12/2022				11,832.00
Add: Outstanding withdrawals				4,619.00
Subtotal				16,451.00
Deduct: Outstanding deposits				0.00
<b>Expected balance on bank statement</b>				<b>16,451.00</b>
<b>Outstanding withdrawals</b>				
Reference number	Transaction date	Description	Deposit (\$)	Withdrawal (\$)
202	30/12/2022	Payment; Gary Atkinson		1,100.00
203	31/12/2022	ATO BAS		3,519.00
<b>Total</b>			<b>0.00</b>	<b>4,619.00</b>
<b>Reconciled withdrawals</b>				
Reference number	Transaction date	Description	Deposit (\$)	Withdrawal (\$)
197	01/12/2022	Promotional Products		176.00
TR000001	02/12/2022	Mastercard payment		765.00
199	13/12/2022	Wages and drawings		2,386.00
200	27/12/2022	Wages and drawings		3,175.00
201	27/12/2022	Payment; Paint Warehouse		1,496.00
Bank	31/12/2022	Loan repayment		1,000.00
Bank	31/12/2022	Bank fees		12.00
<b>Total</b>			<b>0.00</b>	<b>9,010.00</b>
<b>Reconciled deposits</b>				
Reference number	Transaction date	Description	Deposit (\$)	Withdrawal (\$)
CR000001	04/12/2022	Payment less discount	1,045.00	
TR000002	20/12/2022	Banked undeposited funds	7,150.00	
CR000004	24/12/2022	Payment; Byford Community Centre	880.00	
CR000005	24/12/2022	Cash Sales for 724724	2,750.00	
<b>Total</b>			<b>11,825.00</b>	<b>0.00</b>
1-1120	Cash Management Account	31/12/2022	5,008.00	5,008.00
<b>Reconciliation</b>				<b>Value (\$)</b>
Account balance on 31/12/2022				5,008.00
Add: Outstanding withdrawals				0.00
Subtotal				5,008.00
Deduct: Outstanding deposits				0.00
<b>Expected balance on bank statement</b>				<b>5,008.00</b>
<b>Reconciled deposits</b>				
Reference number	Transaction date	Description	Deposit (\$)	Withdrawal (\$)
CR000006	31/12/2022	Interest	8.00	
<b>Total</b>			<b>8.00</b>	<b>0.00</b>

FIGURE 6.42 – Reconciliation Report

### Trial balance report

Dec 2022

Account no	Account name	Debit (\$)	Credit (\$)	YTD Debit (\$)	YTD Credit (\$)
1-1110	ANZ Bank cheque account		1,628.00	11,832.00	
1-1120	Cash Management Account	8.00		5,008.00	
1-1160	Petty Cash	0.00		200.00	
1-1200	Accounts Receivable		2,310.00	2,640.00	
1-1370	Prepaid Insurance		265.00	0.00	
1-2110	Plant & Equipment	0.00		37,850.00	
1-2120	Accum. Depr. Plant & Equipment		473.00		25,549.00
1-2510	Motor Vehicles	0.00		35,000.00	
1-2520	Accum. Depr Motor Vehicles		411.00		17,774.00
2-1110	Mastercard	259.00			506.00
2-1140	Accounts Payable		561.00		2,013.00
2-1212	GST Balance	1,817.00		10.00	
2-1350	PAYG Withholding Payable	856.00			0.00
2-1355	Superannuation Payable		423.00		423.00
2-1360	Wages & Salaries Payable		235.00		425.00
2-2105	Business Loan	966.00			7,264.00
3-1010	Retained Earnings BF		0.00		17,136.00
3-1025	Drawings BF	850.00		6,850.00	
3-2010	Retained Earnings JF		0.00		17,136.00
3-2025	Drawings JF	850.00		6,850.00	
4-1180	Painting Income		8,700.00		64,960.00
4-2000	Discount Received		40.00		440.00
5-2250	Materials	1,480.00		6,130.00	
5-2330	Protective Clothing	380.00		380.00	
5-2380	Subcontractors	1,000.00		1,800.00	
5-2400	Tipping Fees/Waste Removal	30.00		30.00	
5-4000	Discount Given	50.00		50.00	
6-1120	Advertising & Marketing	0.00		280.00	
6-1160	Bank Fees	12.00		62.00	
6-1300	Depreciation	884.00		5,300.00	
6-1430	Electricity & Gas	0.00		1,020.00	
6-1470	Freight, Courier & Postage	50.00		50.00	
6-1550	Insurance	265.00		1,590.00	
6-1700	Motor Vehicle Expenses	230.00		1,770.00	
6-4100	Payroll - Wages & Salaries	4,260.00		25,160.00	
6-4200	Superannuation	423.00		2,408.00	
6-4280	Printing & Stationery	120.00		120.00	
6-4460	Telephone & Internet	230.00		980.00	
8-1000	Interest Received		8.00		8.00
9-1000	Interest Expense	34.00		264.00	
<b>Grand total</b>		<b>15,054.00</b>	<b>15,054.00</b>	<b>153,634.00</b>	<b>153,634.00</b>

FIGURE 6.43 – Trial Balance

## CHAPTER 7 - PAYROLL

Payroll is a complex area, and for that reason we have kept these exercises as simple as possible. You will learn how to set up and process a payroll. Further information about the payment of wages in Australia and the terminology used in these exercises is provided in the Appendix.

Single Touch Payroll (STP) is an Australian Government initiative to reduce employers' reporting burdens to government agencies. This new system began on 1 July 2018 for businesses with 20 or more employees, 1 July 2019 saw more businesses required to register, and as of 1 July 2021 it became mandatory for all businesses with employees, including those with only one employee, to report salaries and wages, PAYG withholding and superannuation to the Australian Taxation Office (ATO) every time they pay their employee(s).

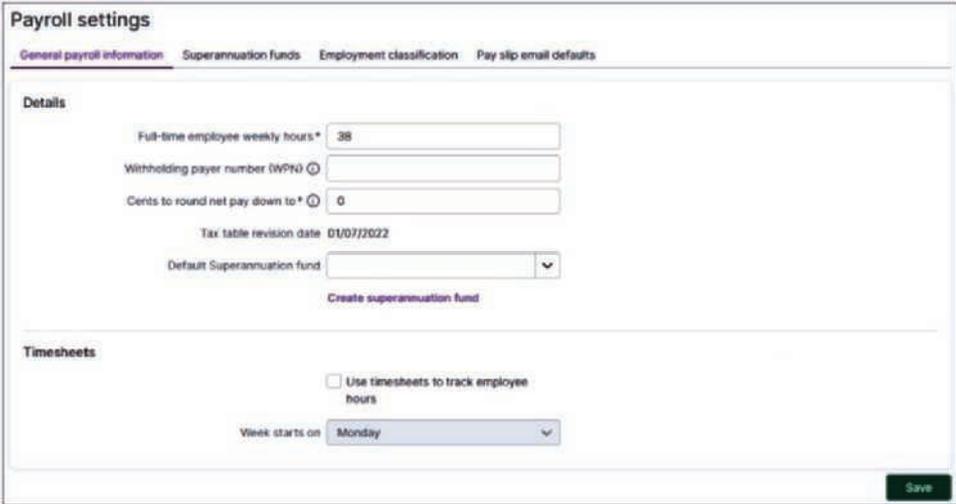
We will not be submitting any reports to the ATO but as we are now using STP compliant software there are numerous fields that must be completed to comply with the requirements of this software. In addition to this, the software will only allow us to prepare pays dated in the current or previous tax year, e.g., this textbook is being written in the 2023 financial year, therefore, pays can only be dated between 1 July 2021 and 30 June 2023.

As in previous chapters, to avoid future date problems all dates in this chapter will be shown as day and month only. The screenshots will show the year as 2023, but you should use whatever the appropriate year is, as of the date when you complete these exercises.

*Carry On Camping* has two employees at the end of May, one full-time and the other part-time. They are paid fortnightly based on an hourly rate of pay. New employees will be starting on June 1 because of the expansion of the business to include a manufacturing side. For that reason, and to comply with the law in respect of STP, the owner of the business (James Brown) has decided it is time to computerise the payroll system.

### Setup General Payroll Information

Go to the main menu and *select* **Payroll settings**. The window shown in figure 7.1 will appear. This is where you can setup the general payroll information.



The screenshot shows the 'Payroll settings' window with the following fields and options:

- General payroll information** (selected tab)
- Details**
  - Full-time employee weekly hours\*: 38
  - Withholding payer number (WPN): [empty]
  - Cents to round net pay down to\*: 0
  - Tax table revision date: 01/07/2022
  - Default Superannuation fund: [dropdown menu]
  - Create superannuation fund: [button]
- Timesheets**
  - Use timesheets to track employee hours: [checkbox]
  - Week starts on: Monday [dropdown menu]
- [Save] button

FIGURE 7.1 – General Payroll Information

- **Full-time employee weekly hours:** The number of hours you enter here should be the number of hours in a normal working week, not the number of hours in a pay period. The default is 38 because that is currently a standard working week in Australia. Leave it as **38**.

- **Withholding payer number:** Leave this field blank as the ABN is now the number used in most communications with the Australian Taxation Office.
- **Cents to round net pay down to:** *Type 5 cents.* This field can be left blank, in which case the employee will be paid to the nearest cent, useful if the amount is being paid into their bank account. 5 cents is currently the smallest denomination coin in Australia.
- **Tax table revision date:** The current tax table in the software you have downloaded is one dated **01/07/2022**. The tax tables tend to change annually, so if your software has a different version to this one, then your pays will differ slightly from the amounts shown in these exercises because the PAYG Withholding will be different.
- **Default superannuation fund:** Current legislation requires employers to allow their employees to choose their own superannuation fund. Most companies have a default fund that employees can use if they do not, or do not wish to, nominate a fund. *Click ‘Create superannuation fund’.*
  - At the message that appears next asking whether you want to save changes, click [Save].
  - At the next window (see figure 7.2) *type Australian Super* in the fund name field and then *select Westscheme Division of Australian Super* from the menu provided. The rest of the information shown below will self-populate the fields.

**FIGURE 7.2 – Create superannuation fund**

*Click [Save], then go back to the ‘General payroll information’ window and select Australian Super from the menu, as the default superannuation fund.*

- **Timesheets:** We will not be using timesheets to track employee hours.

Check your screen against figure 7.3 and then *click [Save]*.

**FIGURE 7.3 – General Payroll Information**

## Setup Payroll

Select **Payroll** on the menu bar, and then **Pay items**.

### Wages and salary

The list given for this category covers the main types of wages employees can be paid. There are both salary and hourly wage categories. We are only going to edit the wage categories we will use in these exercises. Refer to the appendix for more detailed information on the various categories.

#### *Hourly wage category edits*

Select **Annual Leave Loading** and the ATO reporting category of **Gross payments**.

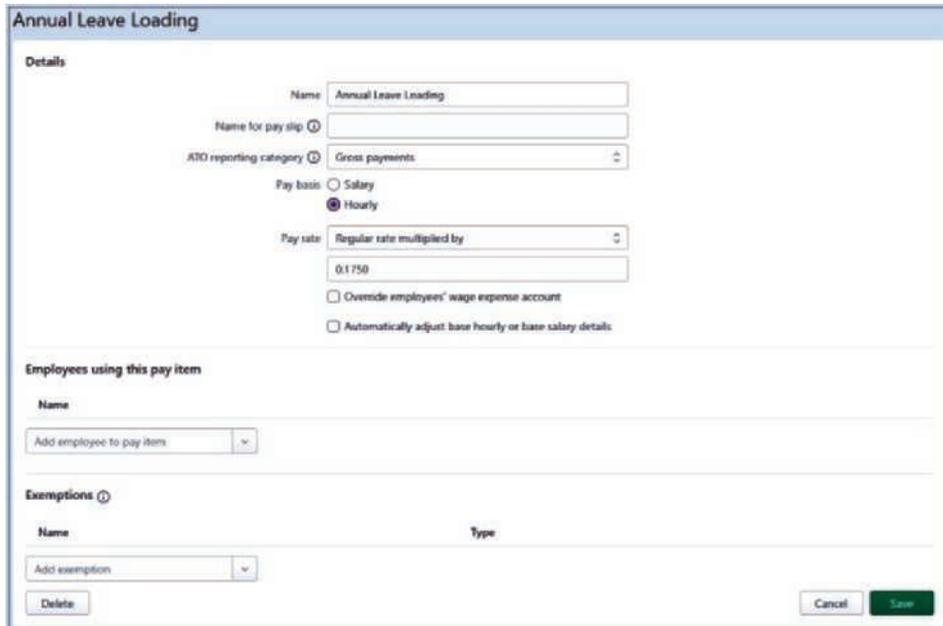


FIGURE 7.4 – Edit wage category

To reduce the number of screenshots, now that you know what one of them looks like, the remainder of changes required are in table 7.1.

Category	ATO reporting category	Automatically adjust base hourly
Annual Leave Pay	Gross payments	<input checked="" type="checkbox"/>
Base Hourly	Gross payments	<input type="checkbox"/>
Overtime (1.5x)	Overtime	<input type="checkbox"/>
Overtime (2x)	Overtime	<input type="checkbox"/>
Personal Leave Pay	Gross payments	<input checked="" type="checkbox"/>

TABLE 7.1 – Wages category edits

#### *Add a new wage category*

Employees occasionally use their own vehicles to pick up and deliver goods. They are paid a vehicle allowance of 70 cents per kilometre to compensate them for this.

Add this category by *clicking* [Create wage pay item] and *typing* **Vehicle Allowance** in the Name field. Select **Allowance – cents per km** as the ATO reporting category. Leave the radio button as **Salary** because the amount paid will be a calculated amount, but not one based on an employee's hourly rate.

FIGURE 7.5 – Add a new wage category

Click [Save] and the new category will appear in the list.

Pay item name	Name for pay slip	Pay basis	ATO reporting category
Advance	Advance	Salary	To be assigned
Annual Leave Loading	Annual Leave Loading	Hourly	Gross payments
Annual Leave Pay	Annual Leave Pay	Hourly	Gross payments
Back Pay	Back Pay	Hourly	To be assigned
Base Hourly	Base Hourly	Hourly	Gross payments
Base Salary	Base Salary	Salary	To be assigned
Bonus	Bonus	Salary	To be assigned
CDEP Payments	CDEP Payments	Hourly	To be assigned
Commission	Commission	Salary	To be assigned
Long Service Leave	Long Service Leave	Hourly	To be assigned
Other Income	Other Income	Salary	To be assigned
Overtime (1.5x)	Overtime (1.5x)	Hourly	Overtime
Overtime (2x)	Overtime (2x)	Hourly	Overtime
Personal Leave Pay	Personal Leave Pay	Hourly	Gross payments
Unused Annual Leave	Unused Annual Leave	Hourly	To be assigned
Unused Long Service Leave	Unused Long Service Leave	Hourly	To be assigned
Vehicle Allowance	Vehicle Allowance	Salary	Allowance - cents per km

FIGURE 7.6 – Wages and salary categories

### Superannuation

Change to the category type **Superannuation**. There are a variety of superannuation categories available with this version of MYOB; we will only use some of them. Some are deducted pre-tax, some post-tax.

Pay items			
Wages and salary	Superannuation	Leave	Deductions Expenses Tax
<a href="#">Create super pay item</a>			
Pay item name	Name for pay slip	Contribution type	ATO reporting category
Employee Additional	Employee Additional	Employee Additional (deduction)	Not reportable
Employer Additional	Employer Additional	Employer Additional (expense)	To be assigned
Productivity Superannuation	Productivity Superannuation	Productivity (expense)	To be assigned
Redundancy Superannuation	Redundancy Superannuation	Redundancy (expense)	To be assigned
Salary Sacrifice	Salary Sacrifice	Salary Sacrifice (deduction)	To be assigned
Spouse	Spouse	Spouse (deduction)	Not reportable
Superannuation Guarantee	Superannuation Guarantee	Superannuation Guarantee (expense)	Superannuation guarantee

FIGURE 7.7 – Superannuation categories

### Edit a superannuation category

Click on **Salary Sacrifice**.

Not all companies offer this option to employees, and only those on higher incomes are likely to be interested in it. It is deducted pre-tax, effectively reducing an employee’s taxable income, and there are rules governing the use of this deduction. Because it is pre-tax MYOB automatically exempts it from PAYG Withholding, you do not have to exempt it.

There is only one employee who participates in the salary sacrifice arrangement (see table 7.2) and he has requested that **7.5%** of gross wages per pay period be deducted. A limit of **\$300** per pay period has been set because unless you exempt some of the wage categories the calculation of this super is based on all wage categories paid, which includes things like overtime. As we are not going to exempt anything, a limit has been set to indicate the maximum amount he is prepared to sacrifice (see figure 7.8) per pay period. A threshold can also be set so that no sacrifice will be made until wages reach a certain level. Leave that field blank.

Change the ‘Linked payable account’ to **2-1355 Superannuation Payable** and *select Salary sacrifice and RESC*, which stands for ‘Reportable Employer Super Contributions’, as the ATO reporting category, as shown in figure 7.8. The bottom portion of the window is not included in the figure below.

#### Salary Sacrifice

**Details**

Name:

Name for pay slip:

Contribution type:

Linked payable account:

ATO reporting category:

---

**Super information**

Print on pay slip

Calculation basis:

Percentage %:

Percent of:

Exclusions \$:

Limit:

Dollar \$:

Per:

Threshold \$:

FIGURE 7.8 – Salary sacrifice superannuation

## Superannuation Guarantee

Click on **Superannuation Guarantee**.

This type of superannuation is one that all employers must pay on behalf of their employees. It is not a deduction; it is an expense to the business and is paid in addition to the wages paid to employees. It is calculated on normal or ordinary time weekly earnings. This means that categories such as overtime are not included in the calculation. The current minimum required rate is 10.5% of gross wages, and details of the amount paid must be printed on the pay advice. The rate increases of 11% from 1 July 2023, and 11.5% from 1 July 2024. Although we are not working in the 2023/24 tax year, we will use the rate of 11% for this exercise. For most employees there is no limit to the amount payable.

MYOB shows a threshold \$450 per month, that threshold was removed on 1 July 2022. Change this figure to **\$0.00**.

Make the following changes and check your screen against figure 7.9 before *clicking* [Save].

- 'Linked payable account' should be **2-1355 Superannuation Payable**.
- Calculation basis – Equals a percentage of wages.
- Percentage % - **11 of Gross Wages**.

Add to the list of wage types listed under 'Exemptions' **Vehicle Allowance** to exclude it from calculations for this type of superannuation. Note the other categories MYOB has already excluded.

**Superannuation Guarantee**

**Details**

Name: Superannuation Guarantee

Name for pay slip: [Empty]

Contribution type: Superannuation guarantee (expense)

Linked expense account: 6-4200 Payroll - Superannuation

Linked payable account: 2-1355 Superannuation Payable

ATO reporting category: Superannuation guarantee

**Super information**

Print on pay slip

Calculation basis: Equals a percentage of wages

Percentage %: 11.00

Percent of: Gross Wages

Exclusions \$: 0.00

Limit: No limit

Threshold \$: 0.00

**Employees using this pay item**

Name: [Empty]

Add employee to pay item: [Empty]

**Exemptions**

Name	Type	
Advance	Wages	<input type="checkbox"/>
Bonus	Wages	<input type="checkbox"/>
Annual Leave Loading	Wages	<input type="checkbox"/>
Overtime (1.5x)	Wages	<input type="checkbox"/>
Overtime (2x)	Wages	<input type="checkbox"/>
Unused Annual Leave	Wages	<input type="checkbox"/>
Unused Long Service Leave	Wages	<input type="checkbox"/>
Vehicle Allowance	Wages	<input type="checkbox"/>

Find exemption: [Empty]

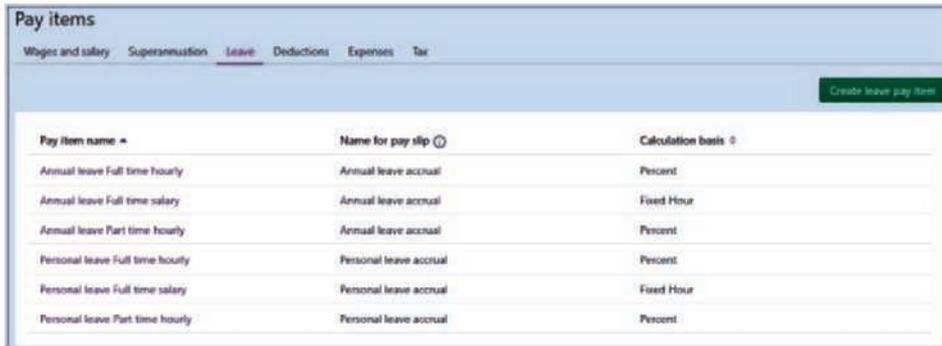
Delete [Cancel] Save

FIGURE 7.9 – Superannuation Guarantee

## Leave

Change to the category type **Leave**. The most common award leave entitlements for employees are 4 weeks annual leave per year, and 10 days personal leave each year. Personal leave covers sick and carer's leave.

- Annual Leave is calculated as a percentage of gross hours. 7.6923% of 38 hours per week for 52 weeks equals 152 hours (4 weeks x 38 hours) annual leave entitlement per annum.
- Personal Leave is also calculated as a percentage of gross hours. 3.84615% of gross hours will equal 76 hours (10 days) personal leave entitlement per annum.



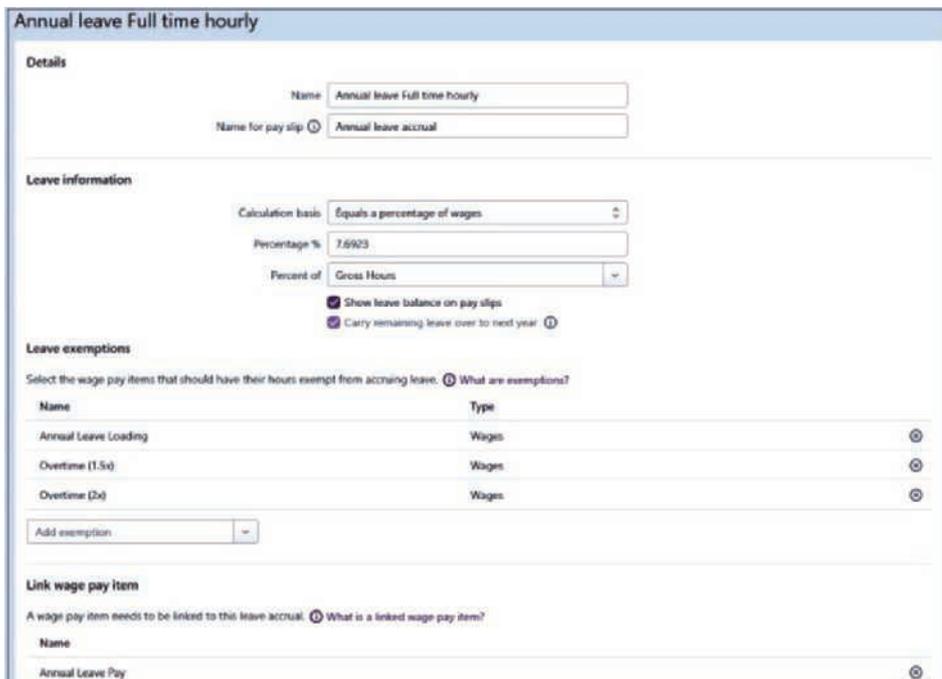
Pay item name	Name for pay slip	Calculation basis
Annual leave Full time hourly	Annual leave accrual	Percent
Annual leave Full time salary	Annual leave accrual	Fixed Hour
Annual leave Part time hourly	Annual leave accrual	Percent
Personal leave Full time hourly	Personal leave accrual	Percent
Personal leave Full time salary	Personal leave accrual	Fixed Hour
Personal leave Part time hourly	Personal leave accrual	Percent

FIGURE 7.10 – Entitlements categories

### Annual leave Full time hourly

The entitlement included in the list shown in figure 7.11 is intended for employees paid at an hourly rate; there is a separate category for salaried employees who receive a set amount per pay period, regardless of the number of hours worked.

No edits are required for this category as the leave exemptions are the ones appropriate for this category and we will not be using a lot of the other wage categories, and the linked account for the wage pay item is correct.



**Annual leave Full time hourly**

**Details**

Name: Annual leave Full time hourly  
Name for pay slip: Annual leave accrual

**Leave information**

Calculation basis: Equals a percentage of wages  
Percentage %: 7.6923  
Percent of: Gross Hours

Show leave balance on pay slips  
 Carry remaining leave over to next year

**Leave exemptions**

Select the wage pay items that should have their hours exempt from accruing leave. What are exemptions?

Name	Type
Annual Leave Loading	Wages
Overtime (1.5x)	Wages
Overtime (2x)	Wages

Add exemption

**Link wage pay item**

A wage pay item needs to be linked to this leave accrual. What is a linked wage pay item?

Name: Annual Leave Pay

FIGURE 7.11 – Annual Leave Accrual for hourly employees

The Annual leave Part time hourly is set up the same as the one above, so no changes required.

## Personal Leave Accrual

The only requirement for this category is to tick the box  **Show leave balance on pay slips** (see figure 7.12). It is not compulsory to show personal leave entitlements on the pay advice, but this business likes to include it on the pay advice.

Make the same change to the 'Personal leave Part time hourly' leave category.

**Personal leave Full time hourly**

**Details**

Name: Personal leave Full time hourly

Name for pay slip: Personal leave accrual

**Leave information**

Calculation basis: Equals a percentage of wages

Percentage %: 3.84615

Percent of: Gross Hours

Show leave balance on pay slips

Carry remaining leave over to next year

**Leave exemptions**

Select the wage pay items that should have their hours exempt from accruing leave. What are exemptions?

Name	Type
Annual Leave Loading	Wages
Overtime (1.5x)	Wages
Overtime (2x)	Wages

Add exemption

**Link wage pay item**

A wage pay item needs to be linked to this leave accrual. What is a linked wage pay item?

Name: Personal Leave Pay

Add linked wages

FIGURE 7.12 – Personal Leave Accrual for hourly employees

## Deductions

Change the category type to **Deductions**. Deductions are amounts deducted from an employee's wage at their request. These amounts can be based on a percentage of gross wages or some other wage category, a fixed amount per pay period, month, year, or hour, or a user entered amount per pay period.

Before we begin, we need to add two new accounts to the chart of accounts to link these deductions to, and we cannot add them while adding or editing these deduction categories. Go to the Chart of accounts and create the following accounts:

- **2-1361 Union Fees Payable** is an Other current liability with a tax code of N-T
- **2-1362 Health Fund Payable** is an Other current liability with a tax code of N-T

### Edit deduction category

- **Select Union Fee.** All employees who have union fees deducted from their pay (see table 7.2), belong to the same union, and pay the same amount, **\$18.00** per pay period. They are paid fortnightly. There is no deduction limit and no 'exempt' changes are required.
- Change the linked payable account to **2-1361 Union Fees Payable**.
- ATO Reporting Category: **Deduction – union/professional assoc. fees.**
- Calculation basis - Equals **\$18.00** Dollars per pay period.
- Check against figure 7.13 before saving.

FIGURE 7.13 – Edit payroll deduction

### Add a new deduction category

Click [Create deduction pay item]

Name: **Health Fund**  
 Linked payables account: **2-1362 Health Fund Payable**  
 ATO reporting category: **Not Reportable**

Because each employee pays a different amount into the fund (see table 7.2), this deduction is set up as a ‘User-entered amount per pay period’ type of deduction. Meaning, that you, the user, will have to enter the amount when you prepare the pay cheques. Alternatively, this item can be set up on the employee’s card. There is no deduction limit.

Check against figure 7.14 before saving.

FIGURE 7.14 – Add payroll deduction

### Expenses

Change the Category Type to **Expenses**. Expenses are amounts that an employer must pay on behalf of employees. The only expense category listed in MYOB is ‘WorkCover’. This expense does not apply in all Australian states; therefore, it will not be included in any of the exercises in this book.

### Tax

Change the Category Type to **Taxes**. No changes are required here. An employer is required to deduct PAYG (Pay-as-you-go) withholding tax from an employee’s wages and forward it to the Australian Taxation Office either monthly or quarterly.

### Employee Cards

Use the information in tables 7.2 to 7.6 to set up cards for your employees. Follow the instructions provided for Andrew Jackson right through and then set up the next employee using the same procedure.

Click **Create employee** on the **Payroll** menu to begin setting up the employees and the window shown below appears.

FIGURE 7.15 – Employee self-onboarding

We cannot use that feature so *click* either **[Cancel]** or **[Skip this. I'll add the employee's details myself]**.

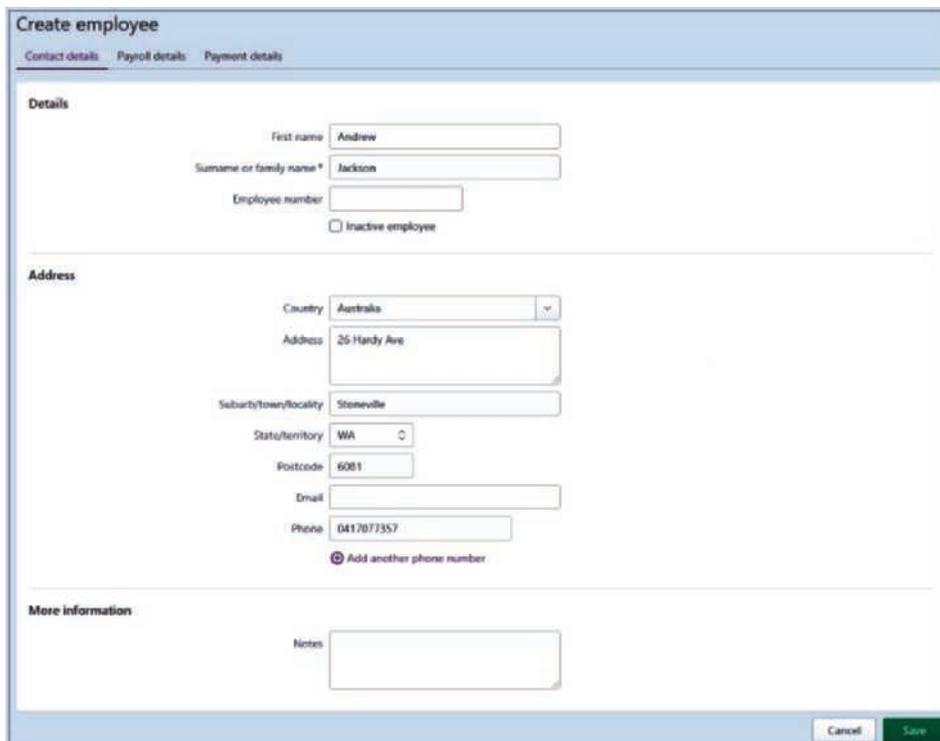
### Payroll information for current employees

<i>Name</i>	Andrew Jackson	Linda Rogers
<i>Address</i>	26 Hardy Ave Stoneville WA 6081	3 Short St Kenwick WA 6107
<i>Phone No.</i>	0417077357	0404743974
<i>Date of birth</i>	5/01/1969	28/04/1993
<i>Gender</i>	Male	Female
<i>Start date</i>	1/07/2017	20/01/2020
<i>Employment category</i>	Permanent	Permanent
<i>Employment basis</i>	Full Time	Part Time (38 hours per fortnight)
<i>Employment classification</i>	Salesperson	Bookkeeper
<i>Default pay slip delivery</i>	To be printed	To be printed
<i>Pay basis</i>	Hourly	Hourly
<i>Hourly rate</i>	\$38.90	\$32.50
<i>Pay frequency</i>	Fortnightly	Fortnightly
<i>Salary Sacrifice Super</i>	7.5%	
<i>Superannuation Fund</i>	Australian Super	Australian Super
<i>Membership number</i>	1901123	2005902
<i>Tax File number</i>	627 123 890	231 188 505
<i>Tax Table</i>	Tax Free Threshold	Tax Free Threshold
<i>Health Fund</i>	\$176 per pay period	\$122 per pay period
<i>Union Fees</i>	\$18 per pay period	

TABLE 7.2 – Employee payroll information

## Contact details

This is set up in a similar manner to a card for an individual customer or supplier.



The screenshot shows a web form titled "Create employee" with three tabs: "Contact details" (selected), "Payroll details", and "Payment details". The form is divided into three sections: "Details", "Address", and "More information".

- Details:** Fields for "First name" (Andrew), "Surname or family name\*" (Jackson), and "Employee number" (empty). There is a checkbox for "Inactive employee" which is unchecked.
- Address:** Fields for "Country" (Australia), "Address" (25 Hardy Ave), "Suburb/town/locality" (Stoneville), "State/territory" (WA), "Postcode" (6001), "Email" (empty), and "Phone" (041707357). There is a link to "Add another phone number".
- More information:** A "Notes" field (empty).

At the bottom right, there are "Cancel" and "Save" buttons.

FIGURE 7.16 – Employee contact details

You can *click* [Save] if you wish to. If you do so you will get a warning message, effectively telling you that more information is needed before you save.

*Click* **Payroll details**.

## Employment details

This window in payroll details requires the information from table 7.2 that is listed below.

Date of birth:	<b>5/01/1969</b>
Gender:	<b>Male</b>
Start date:	<b>1/07/2017.</b>
Termination date:	(Leave blank)
Employment category:	<b>Permanent</b>
Employment basis:	<b>Full time</b>
Employment classification:	<b>Salesperson</b> (Use 'Create classification' to add this classification)
Default pay slip delivery:	To be printed.
Pay slip email:	(Leave blank)

The screenshot shows a web form titled "Create employee" with three tabs: "Contact details", "Payroll details", and "Payment details". The "Payroll details" tab is active. Below the tabs are several sections:

- Personal:** Date of birth (05/01/1969), Calculated age (54), Gender (Male).
- Employment:** Start date (01/07/2017), Termination date (DD/MM/YY), Employment category (Permanent selected, Temporary unselected), Employment basis (Full time), Employment classification (Salesperson).
- Pay slips:** Default pay slip delivery (To be printed), Pay slip email (empty).

Buttons for "Cancel" and "Save" are at the bottom right.

**FIGURE 7.17 – Employee details**

Click **Salary and Wages** and complete the fields as shown in figure 7.18.

Pay basis: **Hourly**  
 Hourly rate: **38.90**  
 Pay cycle: **Fortnightly**  
 Hours in pay cycle: **76**  
 Wages expense account: **6-4100 Payroll - Wages & Salaries**

Add the wage categories that apply to this employee using the information provided in table 7.3.

Wage Category	Andrew Jackson	Linda Rogers
Annual Leave Loading	✓	✓
Annual Leave Pay	✓	✓
Base Hourly	✓	✓
Overtime (1.5x)	✓	✓
Overtime (2x)	✓	✓
Personal Leave Pay	✓	✓
Vehicle Allowance	✓	✓

**TABLE 7.3 – Employee wage categories**

**FIGURE 7.18 – Employee Payroll Details – Wages**

Probably a good time to *click* [Save] right now.

*Click* **Payroll details** and then **Leave** and add the leave pay items shown in figure 7.19.

Entitlements Category	Andrew Jackson	Linda Rogers
Annual leave hourly	✓ (Full time)	✓ (Part time)
Carry Over	171 hours	57 hours
Personal leave hourly	✓ (Full time)	✓ (Part time)
Carry Over	388 hours	66 hours

**TABLE 7.4 – Employee entitlements categories**

To enter the carry over entitlement figures you will need to save if you have not already done so, and then come back to this window. Enter the figures in the ‘Balance adjustment’ column, as shown in figure 7.19, using the information provided in table 7.4.

**FIGURE 7.19 – Employee Payroll Details – Leave**

Click **Deductions** and add the deductions as shown in figure 7.20, using the information provided in table 7.5.

Deductions Category	Andrew Jackson	Linda Rogers
Health Fund	✓	✓
Union Fee	✓	

TABLE 7.5 – Employee deductions categories

The screenshot shows the 'Andrew Jackson' payroll details page with the 'Deductions' tab selected. Under 'Allocated deduction pay items', there are two entries: 'Health Fund' with type 'User-Entered' and 'Union Fee' with type 'Fixed Dollar'. There are 'Delete', 'Cancel', and 'Save' buttons at the bottom.

FIGURE 7.20 – Employee Payroll Details – Deductions

Click **Superannuation** and complete the fields as shown in figure 7.21.

Superannuation Fund: **Australian Super**

Employee Membership No: **1901123**

Add the superannuation category 'Salary Sacrifice' for Andrew Jackson. Superannuation Guarantee will already be listed.

Superannuation Category	Andrew Jackson	Linda Rogers
Salary Sacrifice	✓	
Superannuation Guarantee	✓	✓

TABLE 7.6 – Employee superannuation categories

The screenshot shows the 'Andrew Jackson' payroll details page with the 'Superannuation' tab selected. In the 'Details' section, 'Superannuation fund' is set to 'WESTSCHEME DIVISION OF AUSTRALIAN SUPER' and 'Employee membership number' is '1901123'. Under 'Allocated super pay items', there are two entries: 'Superannuation Guarantee' (Superannuation Guarantee (expense)) and 'Salary Sacrifice' (Salary Sacrifice (deduction)). There are 'Delete', 'Cancel', and 'Save' buttons at the bottom.

FIGURE 7.21 – Employee Payroll Details – Superannuation

There is nothing to be entered for 'Expenses'.

Click **Taxes**. Enter the employee's tax file number from table 7.2.

**Note:** The tax file numbers being used in these exercises are fictional, so you may get warnings about that. Ignore them.

The 'Tax Free Threshold' is the default tax table, and PAYG Withholding has already been selected as the allocated tax pay item. If you use the arrow alongside the tax table field, you will discover that there are lots of different tables. We are only going to use this one.

Select **Salary and wages** from the list available for the 'Income type' field.

The other fields can be left as \$0.00.

The screenshot shows a web interface for 'Andrew Jackson' with tabs for 'Contact details', 'Payroll details', and 'Payment details'. Under 'Payroll details', there are sub-tabs for 'Employment details', 'Salary and wages', 'Leave', 'Deductions', 'Superannuation', 'Expenses', 'Taxes', 'Standard pay', and 'Pay history'. The 'Taxes' tab is active, showing 'Tax details' with 'Tax file number (TFN) status' set to 'Employee has tax file number' and 'Tax file number' as '627 123 090'. Below this is the 'Tax table calculations' section, which includes a link to 'Fill out TFN declaration questions', a 'Tax table' dropdown set to 'Tax Free Threshold', an 'Income type' dropdown set to 'Salary and wages', and input fields for 'Withholding variation rate %', 'Total rebates per year (\$)', and 'Extra tax per pay (\$)', all set to '0.00'. At the bottom, the 'Allocated tax pay items' section shows a table with one item: 'PAYG Withholding'. The interface includes 'Delete', 'Cancel', and 'Save' buttons at the bottom.

**FIGURE 7.22 – Employee Payroll Details – Taxes**

Click **Standard Pay** and your screen should initially show only the base hourly figure and all the items that will display for this employee when you are preparing pays for him.

It is a handy screen to use to check whether you have selected all the fields required for that employee. It is also the screen where you can record any 'user-entered' deductions for that employee. This avoids having to remember to do it when you create the pays.

In the **Amount** column on the **Health Fund** line enter the appropriate deduction amount for the employee, for Andrew Jackson it is **\$176** per pay period. (See figure 7.23.) Although it is a deduction from wages it *must* be entered as a positive amount.

Click [Save] before you move on to entering his pay history.

**Andrew Jackson**

Contact details Payroll details Payment details

Employment details Salary and wages Leave Deductions Superannuation Expenses Taxes Standard pay Pay history

**Base pay details**

Pay cycle: Fortnightly  
Hours per pay cycle: 76.00  
Pay slip message: Pay employee: Andrew Jackson

**All allocated pay items**

Name	Hours (hrs)	Amount(\$)	Job
<b>Wages</b>			
Base Hourly	76.00	2,956.40	
Annual Leave Loading	0.00	0.00	
Annual Leave Pay	0.00	0.00	
Overtime (1.5x)	0.00	0.00	
Overtime (2x)	0.00	0.00	
Personal Leave Pay	0.00	0.00	
Vehicle Allowance		0.00	
<b>Deductions</b>			
Union Fee		Calculated	
Health Fund		176.00	
Salary Sacrifice		Calculated	
<b>Taxes</b>			
PAYG Withholding		Calculated	
<b>Leave</b>			
Annual leave Full time hourly		Calculated	
Personal leave Full time hourly		Calculated	
<b>Expense</b>			
Superannuation Guarantee		Calculated	

Delete Cancel Save

**FIGURE 7.23 – Employee Payroll Details – Standard Pay**

Click **Pay History** and enter the information from table 7.7. This information is required so that PAYG Payment Summaries can be prepared for the employees at the end of the tax year, and you are picking up balances part way through the year. Enter them as **year-to-date** figures. (See figure 7.24.)

Category	Type	Andrew Jackson	Linda Rogers
Base Hourly	Wages	\$29,564.00	\$14,820.00
Annual Leave Loading	Wages	\$1,034.74	✓
Annual Leave Pay	Wages	\$5,912.80	✓
Overtime (1.5x)	Wages	\$3,591.62	\$1,112.00
Overtime (2x)	Wages	\$1,773.84	✓
Personal Leave Pay	Wages	✓	\$130.00
Vehicle Allowance	Wages	\$1,232.00	\$224.00
Health Fund	Deduction	\$4,224.00	\$2,928.00
Union Fee	Deduction	\$432.00	
Salary Sacrifice	Deduction	\$256.03	
PAYG Withholding	Taxes	\$7,274.00	\$2,935.00
Annual Leave	Leave	140.308	70.154
Personal Leave	Leave	70.154	35.077
Superannuation Guarantee	Expense	\$3,902.45	\$1,644.50

**TABLE 7.7 – Employee pay history**

Andrew Jackson

Contact details Payroll details Payment details

Employment details Salary and wages Leave Deductions Superannuation Expenses Taxes Standard pay Pay history

Employee pay history

All allocated pay items

Name	Activity (hrs)	Activity (\$)
<b>Wages</b>		
Base Hourly		29,564.00
Annual Leave Loading		1,034.74
Annual Leave Pay		5,912.80
Overtime (1.5x)		3,591.62
Overtime (2x)		1,773.04
Personal Leave Pay		0.00
Vehicle Allowance		1,232.00
<b>Deductions</b>		
Health Fund		4,224.00
Union Fee		432.00
Salary Sacrifice		256.03
<b>Taxes</b>		
FYWG Withholding		7,274.00
<b>Leave</b>		
Annual leave Full time hourly	140.308	
Personal leave Full time hourly	70.154	
<b>Expense</b>		
Superannuation Guarantee		3,902.45

Delete Cancel Save

FIGURE 7.24 – Employee Payroll Details – Pay history

Make sure you save after you have recorded the pay history. *Clicking* [Save] as you work your way through the setup process is probably a very good idea, just in case something happens along the way.

**Note:** It may appear that the figures you entered for the employee’s pay history did not save. Go out of Payroll e.g., click on Dashboard and then go back to Employees on the Payroll menu and select the employee you want to check out. Set the Pay history for Year-to-Date and hopefully the figures will appear. If not try entering them again. I found logging out of the data file (or switching companies) and then logging back in seemed to work best.

### Payment Details

Selecting the payment method used by the company will determine which of the linked accounts shown, will be used. All the employees are paid by cheque, so *select Cheque* as the payment method if it is not already selected.

That completes the card for Andrew Jackson. *Click* [Save] and setup the next employee. When you have finished setting up that employee your employees list should look the same as figure 7.25.



FIGURE 7.25 – Employees

**Note:** Electronic payment of wages is probably the most common method used today because it is more convenient and secure. However, that is beyond the scope of this textbook.

### Check the linked accounts

Select the **Payroll** menu and **Pay items**. *Select Deductions* and then **Health fund**. You will now see that the two employees who have a deduction made for this are listed.

The payroll set up is completed and you are now *nearly* ready to pay these two employees.

### Reverse Accrued Wages

At the end of May, a journal entry was recorded to accrue \$1,676.00 wages. Record a general journal entry dated 1/06/202\_ to reverse this accrual.

### Pay Employees

On the **Payroll** menu *select Create pay run*.

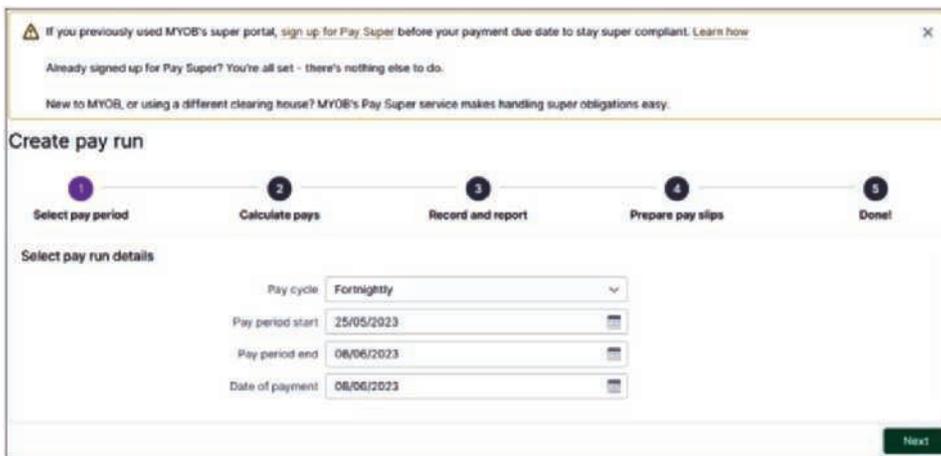
Table 7.8 provides information about the number of hours worked by the employees for the fortnight ended June 8. Although we are using information extracted from timesheets that the employees complete, we will not be linking timesheets with payroll. The information provided in the timesheets will be used to adjust the standard pay for each of the employees.

	Andrew Jackson	Linda Rogers
<i>Normal Hours (Base Hourly)</i>	76	30
<i>Annual Leave + Loading</i>		8
<i>Overtime (1.5x)</i>	3	
<i>Overtime (2x)</i>	1	
<i>Personal Leave</i>		
<i>Vehicle Allowance @ 70c per km</i>		18km @ 70c = \$12.60

TABLE 7.8 – Timesheet information for the fortnight ended June 8

The **Pay Period** window currently displayed (figure 7.26), is where you select the period that the pays are to be processed for. Enter the following information in the appropriate fields and then check your screen against figure 7.26. The calendars available for some of the fields are useful for selecting the dates. Ignore the fact that some of these dates may fall on a weekend, that will be because of the year you are working in.

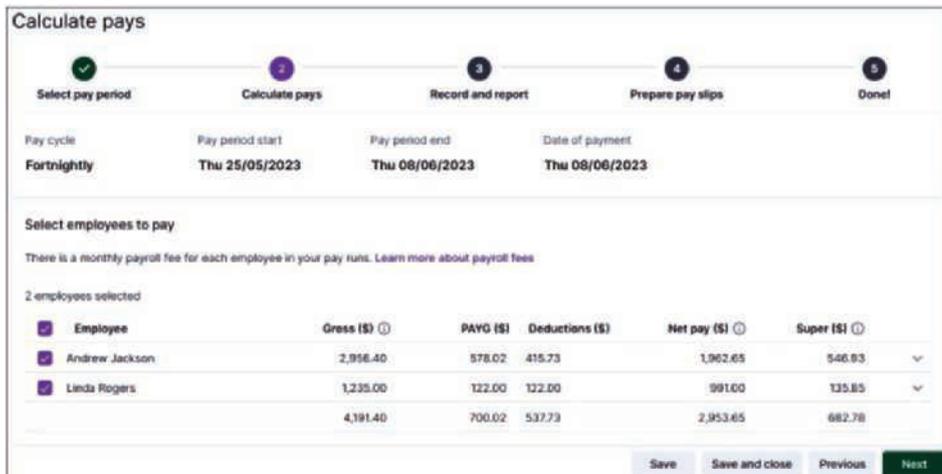
Pay cycle: **Fortnightly**  
 Pay period start: **25/05/202\_**  
 Pay period end: **8/06/202\_**  
 Date of payment: **8/06/202\_**



**FIGURE 7.26 – Pay Period**

When you have employees paid for differing periods of time, such as weekly or monthly, then each period must be processed separately. Employees can be processed individually but that destroys the efficiency of the payroll processing available with MYOB. Ignore the warning message if one appears on your screen.

Click [Next] and the **Calculate pays** window displays.



**FIGURE 7.27 – Standard fortnightly pays**

This lists all the employees that are paid fortnightly, and their standard pay for the period. If all the employees have worked a standard fortnight, and there were no other changes required, then you could simply review the pay details and record the pays for the period.

### Edit an employee's pay

Click on the  alongside **Andrew Jackson's** name to edit his pay details.

The 'Base Hourly' number of hours is correct at **76**.

This employee has worked extra hours. When an employee works more than 7.6 hours in a day (remember  $7.6 \times 5 = 38$  hours per week) they are then paid at the rate of time and a half (1.5x) for the first 3 hours (this may vary in different awards) and double time (2x) for the remainder of the hours in excess of 3 hours on that day. Enter the **3** hours in the 'Hours' column for 'Overtime (1.5x)' and **1** in the 'Hours' column for 'Overtime (2x)'.

The health fund deduction amount will display if you set it up correctly in the standard pay for the employee. If it is blank, then you will need to enter the amount. Go back to table 7.2 to find out the amount you need to enter.

All the other amounts (union fee, salary sacrifice, PAYG Withholding, annual leave accrual, personal leave accrual, and superannuation guarantee) have been calculated by MYOB based on the information provided during the setup phase. That is why it is extremely important to take care and make sure the setup is correct. Check your screen against figure 7.28 before collapsing his information.

Employee	Gross (\$)	PAYG (\$)	Deductions (\$)	Net pay (\$)	Super (\$)
Andrew Jackson	3,209.25	660.01	434.69	2,114.55	565.89

Pay items	Rate (\$)	Hours	Amount (\$)	Job
<b>Wages</b>				
Base Hourly	38.90	76.00	2,956.40	Add job
Annual Leave Loading	6.81	0.00	0.00	Add job
Annual Leave Pay	38.90	0.00	0.00	Add job
Overtime (1.5x)	58.35	3.00	175.05	Add job
Overtime (2x)	77.80	1.00	77.80	Add job
Personal Leave Pay	38.90	0.00	0.00	Add job
Vehicle Allowance			0.00	Add job
<b>Deductions</b>				
Health Fund			176.00	Add job
Union Fee			18.00	Add job
Salary Sacrifice			240.69	Add job
<b>Taxes</b>				
PAYG Withholding			660.01	Add job
<b>Leave accrual</b>				
Annual leave Full time hourly		5.846		
Personal leave Full time hourly		2.923		
<b>Employer expenses</b>				
Superannuation Guarantee			325.20	Add job

FIGURE 7.28 – Pay cheque for Andrew Jackson for the fortnight ended June 8

Expand **Linda Rogers** to edit her pay information. It should look the same as figure 7.29.

### Annual leave + loading

When an employee takes some of their annual leave entitlement, they are paid annual leave pay, plus an annual leave loading of 17.5% (in most circumstances). For MYOB to calculate the amount to be included on the payslip you must enter the number of hours that the loading calculation is to be based on. As a rule, the number of hours will be the same as the annual leave pay hours.

Did you notice that when you entered the 8 hours for 'Annual Leave Pay' MYOB automatically adjusted the 'Base Hourly' to 30 hours? This is because when we setup the employee cards we told MYOB to do that when a figure is entered for annual or personal leave. This avoids making a mistake and paying the employee too much.

I hope you also checked out the information symbols against the leave fields. They provide up-to-date information on the number of hours available to that employee.

### Non-hourly allowances

The Vehicle Allowance cannot be entered as quantity x rate, you will have to calculate the dollar amount due to this employee for the pay period (18 x 70c) and then *type* that figure, **12.60**, in the 'Amount' column as shown in figure 7.29.

Pay items	Rate (\$)	Hours	Amount (\$)	Job
<b>Wages</b>				
Base Hourly	32.50	30.00	975.00	Add job
Annual Leave Loading	5.69	8.00	45.50	Add job
Annual Leave Pay	32.50	8.00	260.00	Add job
Overtime (1.5x)	48.75	0.00	0.00	Add job
Overtime (2x)	65.00	0.00	0.00	Add job
Personal Leave Pay	32.50	0.00	0.00	Add job
Vehicle Allowance			12.60	Add job
<b>Deductions</b>				
Health Fund			122.00	Add job
<b>Taxes</b>				
FRYG Withholding			136.00	Add job
<b>Leave accrual</b>				
Annual leave Part time hourly		2.923		
Personal leave Part time hourly		1.862		
<b>Employer expenses</b>				
Superannuation Guarantee			135.85	Add job
<b>Totals</b>				
	4,502.35	796.01	556.69	3,149.65
				701.74

FIGURE 7.29 – Pay cheque for Linda Rogers for the fortnight ended June 8

Collapse Linda Rogers pay information and then *click* [Next].

The next window (figure 7.30) displays the current net pays for these employees, and as you will see when we get to the next pay run, previous net pays are included for a comparison. If the difference happened to be significant you would want to check the reason why before proceeding any further.

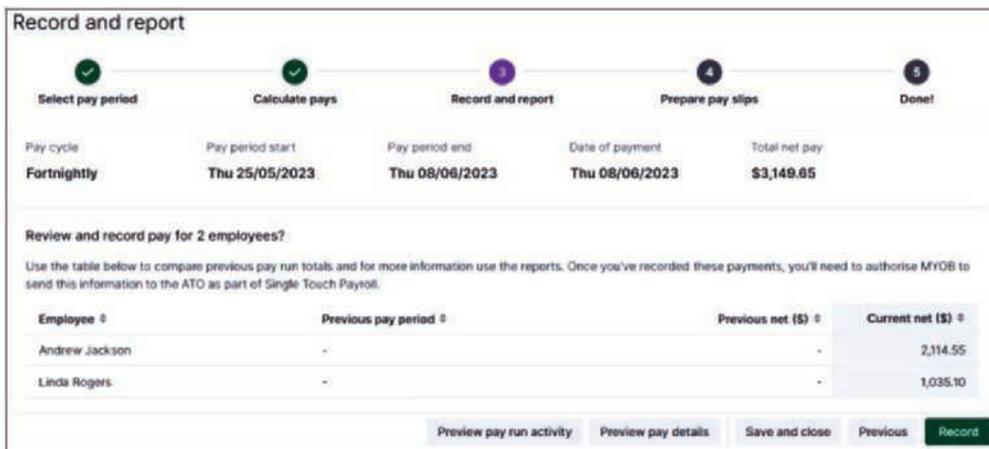


FIGURE 7.30 – Record and report the pay for the fortnight

Click [Record].

### Payroll Advice Slips

At the next window that looks rather blank, *select 'Print pay slips'* and it should then look the same as figure 7.31.

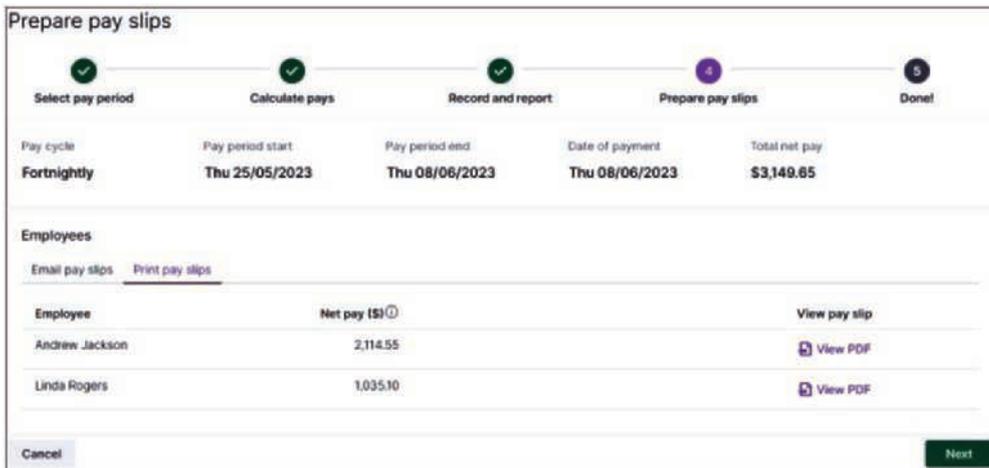


FIGURE 7.31 – Prepare pay slips

To view the advice slips that employees would receive, click on the 'View PDF' icon. We are not going to print the pay slips but check out what one looks like. The reference (cheque) number is the next number in sequence and although it will be the wrong one once we start recording transactions for June, do not attempt to change it.

**Carry On Camping**

ABN: 62 099 854 074  
 Pay Slip For: Rogers, Linda  
 Classification: Bookkeeper  
 Annual Salary: \$32,110.00  
 Hourly Rate: \$32.5000  
 Pay Period From: 25/5/2023 To: 8/6/2023  
 Superannuation Fund: WESTSCHEME DIVISION OF AUSTRALIAN

Reference Number: 185  
 Payment Date: 8/6/2023  
 GROSS PAY: \$1,293.10  
 NET PAY: \$1,035.10

Memo/payslip message:  
 Pay employee: Linda Rogers

DESCRIPTION	HOURS	CALC. RATE	AMOUNT	YTD	TYPE
Vehicle Allowance			\$12.60	\$236.60	Wages
Base Hourly	30.00	\$32.50	\$975.00	\$15,795.00	Wages
Annual Leave Loading	8.00	\$5.69	\$45.50	\$45.50	Wages
Annual Leave Pay	8.00	\$32.50	\$260.00	\$260.00	Wages
Overtime (1.5x)			\$0.00	\$1,112.00	Wages
Personal Leave Pay			\$0.00	\$130.00	Wages
Health Fund			-\$122.00	-\$3,050.00	Deduction
PAYG Withholding			-\$136.00	-\$3,071.00	Tax
Annual leave accrual	2.92			122.08	Entitlements
Personal leave accrual	1.46			102.54	Entitlements
Superannuation Guarantee			\$135.85	\$1,780.35	Superannuation Expenses

FIGURE 7.32 – Payslip for Linda Rogers

**Note:** In the payslip displayed in figure 7.32, the year-to-date figures are correct for all dollar values, but the leave accrual figures have not calculated correctly, so ignore them.

**Important Note:** You cannot edit an employee’s pay once it has been recorded. You must delete the payment and do it again. That is why it is important to do it correctly the first time.

Click [Next] and the window shown in figure 7.33 will display. We will not be reporting the payroll via STP (Single Touch Payroll) as we are not setup for that, but for an actual business that would indeed be the next step.



FIGURE 7.33 – Pay run done!

Click [Close].

## Add new employees

Three new employees have joined the business. Set them up, using the information provided in tables 7.9 and 7.10.

<i>Name</i>	Craig Stone	Peter Walker	Samantha Wood
<i>Address</i>	188 Sevenoaks St Cannington WA 6107	39 Eric St Como WA 6152	20 Connor Rd Gosnells WA 6110
<i>Phone</i>	0419350299	0401367908	0413984589
<i>Date of birth</i>	19/06/2000	29/09/1989	9/01/1997
<i>Gender</i>	Male	Male	Female
<i>Start date</i>	9/06/202_	13/06/202_	13/06/202_
<i>Employment category</i>	Permanent	Permanent	Permanent
<i>Employment basis</i>	Full Time	Full Time	Full Time
<i>Employment classification</i>	Salesperson	Cutter Assembler	Machinist
<i>Default pay slip delivery</i>	To be printed	To be printed	To be printed
<i>Pay basis</i>	Hourly	Hourly	Hourly
<i>Hourly rate</i>	\$31.25	\$38.80	\$31.00
<i>Pay frequency</i>	Fortnightly	Fortnightly	Fortnightly
<i>Superannuation fund</i>	Australian Super	Australian Super	Australian Super
<i>Membership number</i>	2902345	1931330	2991170
<i>Tax file number</i>	132 609 330	215 109 099	628 101 544
<i>Tax table</i>	Tax Free Threshold	Tax Free Threshold	Tax Free Threshold
<i>Income type</i>	Salary and wages	Salary and wages	Salary and wages
<i>Health fund</i>		\$136	\$128
<i>Union fee</i>	\$18.00		

**TABLE 7.9 – New employee details**

<b>Categories</b>	<b>Craig Stone</b>	<b>Peter Walker</b>	<b>Samantha Wood</b>
<i>Annual Leave Loading</i>	✓	✓	✓
<i>Annual Leave Pay</i>	✓	✓	✓
<i>Base Hourly</i>	✓	✓	✓
<i>Overtime (1.5x)</i>	✓	✓	✓
<i>Overtime (2x)</i>	✓	✓	✓
<i>Personal Leave Pay</i>	✓	✓	✓
<i>Vehicle Allowance</i>	✓	✓	✓
<i>Superannuation Guarantee</i>	✓	✓	✓
<i>Annual Leave Accrual</i>	✓	✓	✓
<i>Personal Leave Accrual</i>	✓	✓	✓

**TABLE 7.10 – Payroll categories for new employee**

### Prepare pay cheques for the next pay period

Prepare the pay cheques for the fortnightly pay period starting **9/06/202\_** and ending **22/06/202\_**. Use the timesheet information provided in table 7.11.

	<b>Andrew Jackson</b>	<b>Linda Rogers</b>	<b>Craig Stone</b>	<b>Peter Walker</b>	<b>Samantha Wood</b>
<i>Normal Hours</i>	53.2	35	76	60.8	60.8
<i>Annual Leave + Loading</i>	22.8				
<i>Overtime (1.5x)</i>			5	7	2
<i>Overtime (2x)</i>			2	3	
<i>Personal Leave</i>		3			
<i>Vehicle Allowance @ 70c per km</i>		10km	40km	15km	25km

**TABLE 7.11 – Timesheet information for the fortnight ended 22/06/202\_**

When you have finished editing the pays for this period they should be as shown in figure 7.34. If not check them again before recording the pays for the period.

**Calculate pays**

1 Select pay period      2 Calculate pays      3 Record and report      4 Prepare pay slips      5 Done!

Pay cycle: Fortnightly  
 Pay period start: Fri 09/06/2023  
 Pay period end: Thu 22/06/2023  
 Date of payment: Fri 23/06/2023

Select employees to pay

There is a monthly payroll fee for each employee in your pay runs. [Learn more about payroll fees](#)

5 employees selected

Employee	Gross (\$)	PAYG (\$)	Deductions (\$)	Net pay (\$)	Super (\$)
Andrew Jackson	3,111.61	626.04	427.37	2,058.20	556.57
Linda Rogers	1,242.00	124.00	122.00	996.00	135.85
Craig Stone	2,782.38	588.03	18.00	2,156.35	281.25
Peter Walker	3,009.74	672.04	136.00	2,201.70	259.49
Samantha Wood	1,995.30	322.00	126.00	1,545.30	207.33
	12,171.03	2,334.11	831.37	8,955.55	1,422.49

Save    Save and close    Previous    **Next**

FIGURE 7.34 – Employee pays for the fortnight

Click [Next] and the ‘Record and report’ window is much more interesting after this pay run.

**Record and report**

1 Select pay period      2 Calculate pays      3 Record and report      4 Prepare pay slips      5 Done!

Pay cycle: Fortnightly  
 Pay period start: Fri 09/06/2023  
 Pay period end: Thu 22/06/2023  
 Date of payment: Fri 23/06/2023  
 Total net pay: \$8,955.55

Review and record pay for 5 employees?

Use the table below to compare previous pay run totals and for more information use the reports. Once you've recorded these payments, you'll need to authorise MYOB to send this information to the ATO as part of Single Touch Payroll.

Employee	Previous pay period	Previous net (\$)	Current net (\$)
Andrew Jackson	25/05/2023 - 08/06/2023	2,114.55	2,056.20
Linda Rogers	25/05/2023 - 08/06/2023	1,035.10	996.00
Craig Stone	-	-	2,156.35
Peter Walker	-	-	2,201.70
Samantha Wood	-	-	1,545.30

Preview pay run activity    Preview pay details    Save and close    Previous    **Record**

FIGURE 7.35 – Record and report

## Reports

Print or display these reports. What displays is in summary form and can be expanded to provide more information on any or all employees.

### Payroll Activity

- Click Reporting > Reports and select **Payroll activity** under the heading **Payroll**.
- Filter report as dated from **1/06/202\_** to **30/06/202\_**.

### Payroll activity report

01 Jun 2023 - 30 Jun 2023

Employee name	Salary and wages (\$)	Deductions (\$)	Taxes (\$)	Net pay (\$)	Expenses (\$)	Leave (hrs)
Andrew Jackson	6,320.86	862.06	1,288.05	4,170.75	650.40	17.54
Craig Stone	2,762.38	18.00	588.03	2,156.35	261.25	8.77
Linda Rogers	2,535.10	244.00	260.00	2,031.10	271.70	8.77
Peter Walker	3,009.74	136.00	672.04	2,201.70	259.49	7.01
Samantha Wood	1,995.30	128.00	322.00	1,545.30	207.33	7.01
<b>Grand total</b>	<b>16,623.38</b>	<b>1,388.06</b>	<b>3,130.12</b>	<b>12,105.20</b>	<b>1,650.17</b>	<b>49.10</b>

FIGURE 7.36 – Payroll Activity

#### Leave Balance (Detail)

- Click Reporting > Reports and select **Leave balance (detail)** under the heading **Payroll**.
- Filter report as dated from **1/06/202\_** to **30/06/202\_**

**Note:** This is usually a very useful report, but there is a glitch somewhere in the software that is causing this one to display incorrectly. The report shown as figure 7.37 was exported to Excel and amended to show the correct available hours figures. Run the ‘Pay run history’ report for the period 9/06/202\_ to 30/06/202\_ and expand all. You will find the YTD accrual figures agree with those shown in figure 7.37.

Leave balance (detail) report						
Carry On Camping						
1800 Albany Highway Maddington WA 6109						
9459 1999						
01 Jun 2023 - 30 Jun 2023						
Employee name	Employee no.	Leave	Status	Hours accrued	Hours taken	Available hours
Andrew Jackson	*None	Annual leave Full time hourly	Active	11.69	22.80	300.20
Andrew Jackson	*None	Personal leave Full time hourly	Active	5.85	0.00	464.00
Craig Stone	*None	Annual leave Full time hourly	Active	5.85	0.00	5.85
Craig Stone	*None	Personal leave Full time hourly	Active	2.92	0.00	2.92
Linda Rogers	*None	Annual leave Part time hourly	Active	5.85	8.00	125.00
Linda Rogers	*None	Personal leave Part time hourly	Active	2.92	3.00	101.00
Peter Walker	*None	Annual leave Full time hourly	Active	4.68	0.00	4.68
Peter Walker	*None	Personal leave Full time hourly	Active	2.34	0.00	2.34
Samantha Wood	*None	Annual leave Full time hourly	Active	4.68	0.00	4.68
Samantha Wood	*None	Personal leave Full time hourly	Active	2.34	0.00	2.34

FIGURE 7.37 – Leave Balance (Detail)

## Superannuation Accrual by Fund

- Click Reporting > Reports and select **Accrual by fund** under the heading **Payroll**.
- Filter report as dated from **1/06/202\_** to **30/06/202\_**.
- Expand the report to display information shown in figure 7.38.

Superannuation fund			Employer membership number	Fund total (\$)
<b>WESTSCHEME DIVISION OF AUSTRALIAN SUPER</b>				<b>2,124.23</b>
Employee name	Employee membership number	Super type	Amount (\$)	
Andrew Jackson	1901123	Salary Sacrifice	474.06	
Andrew Jackson	1901123	Superannuation Guarantee	650.40	
<b>Total Andrew Jackson</b>			<b>1,124.46</b>	
Employee name	Employee membership number	Super type	Amount (\$)	
Craig Stone	2902345	Superannuation Guarantee	261.25	
<b>Total Craig Stone</b>			<b>261.25</b>	
Employee name	Employee membership number	Super type	Amount (\$)	
Linda Rogers	2005902	Superannuation Guarantee	271.70	
<b>Total Linda Rogers</b>			<b>271.70</b>	
Employee name	Employee membership number	Super type	Amount (\$)	
Peter Walker	1931330	Superannuation Guarantee	259.49	
<b>Total Peter Walker</b>			<b>259.49</b>	
Employee name	Employee membership number	Super type	Amount (\$)	
Samantha Wood	2991170	Superannuation Guarantee	207.33	
<b>Total Samantha Wood</b>			<b>207.33</b>	
<b>Fund total</b>			<b>2,124.23</b>	
<b>Grand total</b>			<b>2,124.23</b>	

FIGURE 7.38 – Superannuation Accrual by Fund

## Pay Liabilities

The company remits superannuation liabilities to the superannuation fund(s) at the end of each month or early the following month. The option ‘Super payments’ would seem to be the most logical place to go to record the payments, but that option is only used if you are using SuperStream and paying electronically. As we cannot use that feature, we are paying by cheque and will use ‘Spend money’ on the Banking menu. This cheque is to pay the amount owing before we started using the payroll module. The June contributions will be paid later.

Reference no:           Accept number displayed.  
 Date:                    **1/06/202\_**  
 Payee:                  **Australian Super**  
 Description:           **May super contributions**  
 Account:                **2-1355 Superannuation Payable**  
 Amount:                 **679.98**

**Create spend money transaction**

Bank account \*  
 1-1110 Business Bank Account

Reference number \* 191

Date \* 01/06/2023

Contact (payee)  
 Australian Super No ABN provided

Amounts are  Tax inclusive  
 Tax exclusive

Report to ATO via TPAR

Description of transaction  
 May super contributions

Account *	Amount (\$)	Quantity	Description	Job	Tax code *
2-1355 Superannuation Payable	679.98				N-T

Subtotal \$679.98  
 Tax \$0.00  
 Total \$679.98

Save as recurring Prefill from recurring Cancel Record and new Record

**FIGURE 7.39 – Pay superannuation liability**

When you display the trial balance, *click* on the figures for superannuation payable, payroll – wages & salaries, and payroll – superannuation, to understand where MYOB has posted the various amounts from the pay runs to.

The superannuation payable is the total amount of superannuation as per figure 7.38, but the payroll – superannuation amount is only the superannuation guarantee amounts. The salary sacrifice super is posted to the payroll – wages & salaries account so that the figure represents gross wages before the salary sacrifice super is deducted.

## Trial balance report

Jun 2023

Account no	Account name	Debit (\$)	Credit (\$)	YTD Debit (\$)	YTD Credit (\$)
1-1110	Business Bank Account		12,785.18		7,754.58
1-1120	Business Investment Account	0.00		15,039.80	
1-1121	Petty Cash/Cash on Hand	0.00		100.00	
1-1200	Accounts Receivable	0.00		23,709.00	
1-1201	Less Prov'n for Doubtful Debts	0.00			145.00
1-1300	Inventory	0.00		10,700.00	
1-1310	Prepaid Insurance	0.00		444.00	
1-1311	Prepaid Advertising	0.00		3,600.00	
1-2110	Furniture & Equipment At Cost	0.00		11,400.00	
1-2120	Accum. Depr. Furniture & Equipment	0.00			4,515.00
1-2210	Improvements At Cost	0.00		5,000.00	
1-2220	Accum. Depr. Improvements	0.00			3,947.00
1-2310	Motor Vehicles At Cost	0.00		18,090.91	
1-2320	Accum. Depr. Motor Vehicles	0.00			376.89
2-1110	Visa		0.00		289.80
2-1140	Accounts Payable		0.00		15,239.00
2-1212	GST		0.00	47.16	
2-1350	PAYG Withholding Payable		3,130.12		4,746.12
2-1355	Superannuation Payable		1,444.25		2,124.23
2-1360	Wages & Salaries Payable	1,676.00			0.00
2-1361	Union Fees Payable		54.00		54.00
2-1362	Health Fund Payable		860.00		860.00
2-2105	Business Loan		0.00		13,650.00
3-1000	Owner's Capital		0.00		53,225.00
3-2000	Owner's Drawings		0.00	26,764.00	
4-1400	Sales Tents		0.00		123,060.00
4-1500	Sales Sleeping Equipment		0.00		17,492.73
4-1600	Sales Kitchen Equipment		0.00		55,130.00
4-1700	Sales Other		0.00		61,760.00
4-2100	Service Income		0.00		3,220.00
4-2200	Freight Income		0.00		1,350.00
4-2300	Discount Received		0.00		411.00
4-5000	Profit on sale of asset		0.00		40.00
4-5005	Other Income		0.00		254.55
4-5006	Interest Income		0.00		39.80
5-1400	Cost of Sales Tents	0.00		41,050.00	
5-1500	Cost of Sales Sleeping Equipment	0.00		10,033.64	
5-1600	Cost of Sales Kitchen Equipment	0.00		28,920.00	
5-1700	Cost of Sales Other	0.00		31,460.00	
5-2000	Freight Costs	0.00		750.00	
5-3000	Discount Allowed	0.00		325.91	
6-1110	Accounting & Bookkeeping	0.00		900.00	
6-1120	Advertising & Marketing	0.00		4,500.00	
6-1150	Bad Debts	0.00			130.00
6-1160	Bank Fees & Charges	0.00		210.00	
6-1250	Depreciation Expenses	0.00		3,968.89	
6-1300	Electricity Expenses	0.00		1,775.00	
6-1500	Insurance Expenses	0.00		4,896.00	
6-1700	Motor Vehicle Expenses	0.00		4,200.00	
6-4100	Payroll - Wages & Salaries	14,947.38		76,018.38	
6-4200	Payroll- Superannuation	1,650.17		7,453.15	
6-4280	Postage & Stationery	0.00		633.45	
6-4300	Rent Expense	0.00		33,500.00	
6-4320	Repairs & Maintenance	0.00		1,160.00	
6-4400	Staff Amenities	0.00		245.41	
6-4460	Telephone & Internet	0.00		2,920.00	
<b>Grand total</b>		<b>18,273.55</b>	<b>18,273.55</b>	<b>369,814.70</b>	<b>369,814.70</b>

FIGURE 7.40 – Trial Balance

## REVISION EXERCISE 1

This is a sole trader hairdressing business with three employees. Although the financial records have been on MYOB since July, the wages records were manually maintained until the end of March. The pay histories you will be entering are for the period July 202\_ to March 202\_. All employees are paid in cash; therefore, the payroll clearing account will have to be reimbursed after each pay period.

You are required to:

- Create a new MYOB data file.
- Make changes to the Chart of accounts (if necessary).
- Enter opening General Ledger balances.
- Setup payroll and employee cards.
- Prepare pays for the month from the information provided.
- Print or display reports for the month.

### Create a new data file

Business name: **Hair Emporium**  
 ABN: **30 398 801 255**  
 Address: **69 Hannan Street**  
**Kalgoorlie WA 6430**  
 Phone: **9021 3950**  
 Current financial year: **202\_**  
 Last month of financial year: **June**  
 Opening balance date: **April**  
 Industry: **Other services**  
 Does the business have employees: **Yes**

### Enter Opening Balances

Hair Emporium 69 Hannan Street Kalgoorlie WA 6430 9021 3950			
<b>Trial balance report</b>			
Mar 2023			
Account no	Account name	Debit (\$)	Credit (\$)
1-1110	Business Bank Account	42,760.00	
1-2110	Shop Equipment @ Cost	52,500.00	
1-2120	Accum. Depr. Shop Equipment		17,380.00
1-2210	Motor Vehicles @ Cost	32,000.00	
1-2220	Accum. Depr. Motor Vehicles		5,500.00
2-1212	GST		3,680.00
3-1000	Owner's Capital		21,426.00
3-2000	Owner's Drawings	15,500.00	
4-1400	Hairdressing Income		194,600.00
6-4100	Payroll - Wages & Salaries	90,340.00	
6-4200	Payroll- Superannuation	9,486.00	
<b>Grand total</b>		<b>242,586.00</b>	<b>242,586.00</b>

FIGURE 7.41 – Opening balances

### Setup Payroll

- Full-time employee weekly hours: **38**
- Cents to round net pay down to: **5 cents**
- Default Superannuation Fund: **REST INDUSTRY SUPER**

## Set up Pay items

- **Wages and salary**
  - Add new wage category - **Tool Allowance** (Allowance – Tools) is a fixed amount of **\$9.85** per week paid to all employees. Include in the Standard Pay set up.
- **Superannuation**
  - Edit the **Superannuation Guarantee** to *exempt* an additional wage category – **Tool Allowance**. Change the linked payable account to 2-1355 Superannuation Payable. Make sure the percentage is 10.5% and change the threshold to \$0.00.
  - Edit **Employee Additional** to equal 2.5% of gross wages with an exclusion of \$500. Change the linked payable as shown in figure 7.42.

**Note:** Employee Additional Superannuation is deducted after tax, and it is not exempt from PAYG Withholding.

The screenshot shows the 'Employee Additional' configuration window. The 'Details' section includes fields for Name (Employee Additional), Name for pay slip, Contribution type (Employee additional (deduction)), Linked payable account (2-1355 Superannuation Payable), and ATO reporting category (Not reportable). The 'Super information' section includes a checked 'Print on pay slip' option, Calculation basis (Equals a percentage of wages), Percentage % (2.50), Percent of (Gross Wages), Exclusions \$ (500.00), Limit (No limit), and Threshold \$ (0.00). The 'Employees using this pay item' section has a dropdown for 'Add employee to pay item'. The 'Exemptions' section has a dropdown for 'Add exemption' and a 'Delete' button. 'Cancel' and 'Save' buttons are at the bottom right.

FIGURE 7.42 – Employee additional superannuation

- **Leave**
  - Both personal and annual leave for full-time employees is to be printed on the pay advice. No changes to exemptions are required.
- **Deductions**
  - Add a new deduction – Private Health Fund set it up as ‘User-Entered Amount’ and link to account 2-1360 Private Health Fund Payable. It is not reportable.
  - Union Fee equals \$12.00 per pay period. Change the linked account to 2-1361 Union Fees Payable. The ATO reporting category is Deduction – Union/Professional Assoc Fees.
- **Taxes**
  - No changes required.

Set up the employees and enter their pay history (see tables 7.12 to 7.17).

The payment method for all employees is cash.

## Profile & Personal Information

– All employees are female, individuals, permanent, and full time. Pay slip delivery – To be printed.

<i>First name</i>	Diana	Kate	Jane
<i>Surname</i>	West	Evans	South
<i>Address</i>	73 Carr Street Kalgoorlie WA 6430	56 Egan Street Kalgoorlie WA 6430	18 Brand Street Boulder WA 6432
<i>Phone</i>	9088 7979	9088 3290	9088 6007
<i>Date of birth</i>	14/03/2004	18/09/1998	6/10/1980
<i>Start date</i>	1/04/2020	15/07/2019	20/05/2015
<i>Employment classification</i>	Apprentice Hairdresser	Hairdresser	Hairdresser

**TABLE 7.12 – Profile & personal information**

## Wages

	<b>Diana West</b>	<b>Kate Evans</b>	<b>Jane South</b>
<i>Pay Basis</i>	Hourly	Hourly	Hourly
<i>Hourly Rate</i>	\$14.85	\$22.45	\$24.75
<i>Pay Frequency</i>	Weekly	Weekly	Weekly
<i>Annual Leave Loading</i>	✓	✓	✓
<i>Annual Leave Pay</i>	✓	✓	✓
<i>Base Hourly</i>	✓	✓	✓
<i>Overtime (1.5x)</i>	✓	✓	✓
<i>Overtime (2x)</i>	✓	✓	✓
<i>Personal Leave Pay</i>	✓	✓	✓
<i>Tool Allowance</i>	✓	✓	✓

**TABLE 7.13 – Wages categories**

## Superannuation

	<b>Diana West</b>	<b>Kate Evans</b>	<b>Jane South</b>
<i>Super Fund</i>	REST	REST	REST
<i>Membership No.</i>	111290	110018	109994
<i>Employee Additional</i>			2.5%
<i>Superannuation Guarantee</i>	✓	✓	✓

**TABLE 7.14 – Superannuation categories**

## Leave, Deductions & Taxes

	<b>Diana West</b>	<b>Kate Evans</b>	<b>Jane South</b>
<i>Annual Leave – Balance adjustment</i>	38	149	164
<i>Personal Leave – Balance adjustment</i>	0	37	127
<i>Private Health Fund</i>		\$42 per week	\$48 per week
<i>Union Fees</i>	\$12 per week	\$12 per week	\$12 per week
<i>Tax File Number</i>	123 728 690	328 115 093	297 187 007
<i>Tax Table</i>	Tax Free Threshold	Tax Free Threshold	Tax Free Threshold
<i>Income Type</i>	Salary and wages	Salary and wages	Salary and wages

**TABLE 7.15 – Entitlements, deductions & taxes categories**

## Standard Pay

	<b>Diana West</b>	<b>Kate Evans</b>	<b>Jane South</b>
<i>Tool Allowance</i>	\$9.85	\$9.85	\$9.85
<i>Private Health Fund</i>		✓	✓

**TABLE 7.16 – Include in standard pay**

## Pay History (enter as year-to-date)

Enter all figures as positive numbers.

Employee	Diana West	Kate Evans	Jane South
Base Hourly	\$19,710.60	\$32,345.60	\$33,744.00
Annual Leave Loading			\$319.20
Annual Leave Pay			\$1,824.00
Overtime (1.5x)		\$134.40	\$288.00
Overtime (2x)			\$72.00
Personal Leave Pay		\$851.20	
Tool Allowance	\$350.60	\$350.60	\$350.60
Private Health Fund		\$1,248.00	\$1,794.00
Union Fee	\$585.00	\$585.00	\$585.00
Employee Additional			\$689.95
PAYG Withholding	\$2,365.00	\$5,053.00	\$5,490.00
Annual Leave Accrual	114 hours	114 hours	114 hours
Personal Leave Accrual	57 hours	57 hours	57 hours
Superannuation Guarantee	\$1,872.50	\$3,153.70	\$3,378.96

TABLE 7.17 – Pay history

## Pay Employees

Employees are paid in cash on the same date that the pay week ends. The owner then draws a cash cheque to pay the employees, therefore we need another bank account as only one cheque is drawn on the Business Bank Account, that being to reimburse the clearing account we are going to use.

Change bank account **1-1120 Bank Account 2** to **Payroll Clearing Account**. Then click on [Edit linked accounts] and change the linking on the first item as shown in figure 7.43. Do not forget to pay the employees their tool allowance.

FIGURE 7.43 – Payroll linked accounts

	Diana West	Kate Evans	Jane South
Normal Hours	38	38	38
Annual Leave + Loading			
Overtime (1.5x)		2	3
Overtime (2x)			1
Personal Leave			

TABLE 7.18 – Timesheets for the period 26/03/2\_ to 1/04/2\_

The total pay for this period should be \$2,085.40. Go to the chart of accounts and there you will see a negative amount for the payroll clearing account (see figure 7.44). This must be returned to \$0.00 and to do this you could use transfer money, but you were told that the owner draws a cash cheque to pay the wages, therefore you need to write a cheque to reimburse this account, as shown in figure 7.45.

<input type="checkbox"/>	Account number	Account name	Account type	Tax code	Linked	Level	Current balance (\$)
<input type="checkbox"/>	<b>Assets</b>		Asset			Level 1	102,294.60
<input type="checkbox"/>	1-1000	Current Assets	Asset			Level 2	40,674.60
<input type="checkbox"/>	1-1900	Bank Accounts	Asset			Level 3	40,674.60
<input type="checkbox"/>	1-1110	Business Bank Account	Bank	N-T	Linked	Level 4	42,760.00
<input type="checkbox"/>	1-1120	Payroll Clearing Account	Bank	N-T	Linked	Level 4	-2,085.40

FIGURE 7.44 – Payroll Clearing Account balance

FIGURE 7.45 – Payroll cash cheque

Check the chart of accounts again to make sure the balance of the Payroll Clearing Account is back to \$0.00. You must create a cheque after each pay run has been processed.

	Diana West	Kate Evans	Jane South
Normal Hours	30.4		38
Annual Leave + Loading		38	
Overtime (1.5x)	4		6
Overtime (2x)			6
Personal Leave	7.6		

TABLE 7.19 - Timesheets for the period 2/04/2\_ to 8/04/2\_

	Diana West	Kate Evans	Jane South
Normal Hours	38		30.4
Annual Leave + Loading		38	7.6
Overtime (1.5x)	2		4
Overtime (2x)			1
Personal Leave			

TABLE 7.20 - Timesheets for the period 9/04/2\_ to 15/04/2\_

	Diana West	Kate Evans	Jane South
Normal Hours	30.4	38	22.8
Annual Leave + Loading			
Overtime (1.5x)		6	2
Overtime (2x)		2	
Personal Leave	7.6		15.2

TABLE 7.21 - Timesheets for the period 16/04/2\_ to 22/04/2\_

	Diana West	Kate Evans	Jane South
Normal Hours	38	38	30.4
Annual Leave + Loading			
Overtime (1.5x)	3	6	2
Overtime (2x)	1	2	
Personal Leave			7.6

TABLE 7.22 - Timesheets for the period 23/04/2\_ to 29/04/2\_

### Reports

Print or display the following reports.

- Payroll activity for the period 1/04/2\_ to 30/04/2\_.
- Leave balance.
- Payroll Advice for all employees for the week ended 8/04/2\_.
  - Reports > Payroll > Pay run history > date from 2/04/2\_ to 9/04/2\_. Expand all.
- Accrual by fund for the period 1/04/2\_ to 30/04/2\_.
- Trial Balance for April 202\_.

Hair Emporium 69 Hannan Street Kalgoorlie WA 6430 9021 3950						
<b>Payroll activity report</b> 01 Apr 2023 - 30 Apr 2023						
Employee name	Salary and wages (\$)	Deductions (\$)	Taxes (\$)	Net pay (\$)	Expenses (\$)	Leave (hrs)
Diana West	3,100.93	60.00	310.03	2,730.90	296.25	21.93
Jane South	5,811.80	382.80	1,090.10	4,338.90	493.75	21.93
Kate Evans	5,264.38	270.00	899.08	4,095.30	447.90	21.93
<b>Grand total</b>	<b>14,177.11</b>	<b>712.80</b>	<b>2,299.21</b>	<b>11,165.10</b>	<b>1,237.90</b>	<b>65.79</b>

FIGURE 7.46 – Payroll Activity for April

Hair Emporium 69 Hannan Street Kalgoorlie WA 6430 9021 3950							
<b>Leave balance report</b> 01 Apr 2023 - 30 Apr 2023							
Employee name	Employee No.	Leave	Opening hours	Hours accrued	Hours taken	Available hours	Value (\$)
Diana West	**None	Annual leave Full time hourly	266	14,615	0	280,615	4,147.83
Diana West	**None	Personal leave Full time hourly	114	7.31	15.2	106.11	1,575.73
<b>Total Diana West</b>			<b>380.00</b>	<b>21.93</b>	<b>15.20</b>	<b>386.73</b>	<b>5,742.87</b>
Employee name	Employee No.	Leave	Opening hours	Hours accrued	Hours taken	Available hours	Value (\$)
Jane South	**None	Annual leave Full time hourly	392	14,615	7.4	399,015	9,875.43
Jane South	**None	Personal leave Full time hourly	241	7.31	22.8	225.51	5,581.37
<b>Total Jane South</b>			<b>633.00</b>	<b>21.93</b>	<b>30.40</b>	<b>624.52</b>	<b>15,456.80</b>
Employee name	Employee No.	Leave	Opening hours	Hours accrued	Hours taken	Available hours	Value (\$)
Kate Evans	**None	Annual leave Full time hourly	377	14,615	76	315,615	7,085.56
Kate Evans	**None	Personal leave Full time hourly	151	7.31	0	158.31	3,554.05
<b>Total Kate Evans</b>			<b>528.00</b>	<b>21.93</b>	<b>76.00</b>	<b>473.93</b>	<b>10,639.61</b>

FIGURE 7.47 – Leave Balance

**Note:** The hours accrued, and hours taken are correct. Ignore the other figures, MYOB has not calculated them correctly.

**Pay run history report**  
02 Apr 2023 - 06 Apr 2023

Employee name	Card ID	Gross pay (\$)	FYFG (\$)	Deductions (\$)	Net pay (\$)	Superannuation (\$)	
Diana West	*None	663.25	(71.00)	(12.00)	580.25	58.25	
<b>Pay cycle</b>	<b>Notes</b>	<b>Superannuation fund</b>		<b>Annual salary (\$)</b>		<b>Hourly rate (\$)</b>	
Weekly		BEST INDUSTRY SUPER		29,343.60		14.85	
<b>Pay period: 02/04/2023 - 06/04/2023</b>							
Cheque No.	Date of payment	Description	Type	Hours	Calc. rate (\$)	Amount (\$)	YTD
6	06/04/2023	Tool Allowance	Salary and wages		0.00	9.85	370.30
6	06/04/2023	Personal Leave Pay	Salary and wages	7.60	14.85	112.86	112.86
6	06/04/2023	Base Hourly	Salary and wages	30.40	14.85	451.44	20,726.34
6	06/04/2023	Overtime (1.5x)	Salary and wages	4.00	22.27	89.10	89.10
6	06/04/2023	Union Fee	Deductions		0.00	(12.00)	(609.00)
6	06/04/2023	Annual leave Full time hourly	Leave	2.92		157.85	157.85
6	06/04/2023	Personal leave Full time hourly	Leave	1.46		52.32	52.32
6	06/04/2023	FYFG Withholding	Tax		0.00	(71.00)	(2,488.00)
6	06/04/2023	Superannuation Guarantee	Superannuation Expenses		0.00	58.25	1,991.00
<b>Gross Pay</b>						<b>663.25</b>	
<b>Net Pay</b>						<b>580.25</b>	
Jane South	*None	1,476.16	(325.00)	(84.25)	1,066.91	123.00	
<b>Pay cycle</b>	<b>Notes</b>	<b>Superannuation fund</b>		<b>Annual salary (\$)</b>		<b>Hourly rate (\$)</b>	
Weekly		BEST INDUSTRY SUPER		48,906.00		24.75	
<b>Pay period: 02/04/2023 - 06/04/2023</b>							
Cheque No.	Date of payment	Description	Type	Hours	Calc. rate (\$)	Amount (\$)	YTD
5	06/04/2023	Tool Allowance	Salary and wages		0.00	9.85	370.30
5	06/04/2023	Base Hourly	Salary and wages	38.00	24.75	940.50	35,625.00
5	06/04/2023	Overtime (1.5x)	Salary and wages	6.00	37.12	222.75	622.13
5	06/04/2023	Overtime (2x)	Salary and wages	6.00	49.50	297.00	418.50
5	06/04/2023	Private Health Fund	Deductions		0.00	(48.00)	(1,890.00)
5	06/04/2023	Union Fee	Deductions		0.00	(12.00)	(609.00)
5	06/04/2023	Annual leave Full time hourly	Leave	2.92		283.85	283.85
5	06/04/2023	Personal leave Full time hourly	Leave	1.46		186.92	186.92
5	06/04/2023	FYFG Withholding	Tax		0.00	(325.00)	(6,915.00)
5	06/04/2023	Employee Additional	Superannuation Deductions		0.00	(24.25)	(729.48)
5	06/04/2023	Superannuation Guarantee	Superannuation Expenses		0.00	98.75	3,576.46
<b>Gross Pay</b>						<b>1,476.16</b>	
<b>Net Pay</b>						<b>1,066.91</b>	
Kate Evans	*None	1,812.24	(166.04)	(54.00)	792.20	89.58	
<b>Pay cycle</b>	<b>Notes</b>	<b>Superannuation fund</b>		<b>Annual salary (\$)</b>		<b>Hourly rate (\$)</b>	
Weekly		BEST INDUSTRY SUPER		44,361.20		22.45	
<b>Pay period: 02/04/2023 - 06/04/2023</b>							
Cheque No.	Date of payment	Description	Type	Hours	Calc. rate (\$)	Amount (\$)	YTD
4	06/04/2023	Tool Allowance	Salary and wages		0.00	9.85	370.30
4	06/04/2023	Annual Leave Loading	Salary and wages	38.00	3.93	149.29	149.29
4	06/04/2023	Annual Leave Pay	Salary and wages	38.00	22.45	853.10	853.10
4	06/04/2023	Private Health Fund	Deductions		0.00	(42.00)	(1,332.00)
4	06/04/2023	Union Fee	Deductions		0.00	(12.00)	(609.00)
4	06/04/2023	Annual leave Full time hourly	Leave	2.92		230.85	230.85
4	06/04/2023	Personal leave Full time hourly	Leave	1.46		96.92	96.92
4	06/04/2023	FYFG Withholding	Tax		0.00	(166.04)	(5,356.04)
4	06/04/2023	Superannuation Guarantee	Superannuation Expenses		0.00	89.58	3,332.86
<b>Gross Pay</b>						<b>1,812.24</b>	
<b>Net Pay</b>						<b>792.20</b>	
<b>Grand total</b>		<b>3,145.59</b>	<b>(562.04)</b>	<b>(150.25)</b>	<b>2,433.30</b>	<b>271.83</b>	

FIGURE 7.48 – Payroll advice for week ending 8/04/2\_

## Accrual by fund report

01 Apr 2023 - 30 Apr 2023

Superannuation fund	Employer membership number		Fund total (\$)
<b>REST INDUSTRY SUPER</b>			<b>1,320.70</b>
<b>Employee name</b>	<b>Employee membership number</b>	<b>Super type</b>	<b>Amount (\$)</b>
Diana West	111290	Superannuation Guarantee	296.25
<b>Total Diana West</b>			<b>296.25</b>
<b>Employee name</b>	<b>Employee membership number</b>	<b>Super type</b>	<b>Amount (\$)</b>
Jane South	109994	Employee Additional	82.80
Jane South	109994	Superannuation Guarantee	493.75
<b>Total Jane South</b>			<b>576.55</b>
<b>Employee name</b>	<b>Employee membership number</b>	<b>Super type</b>	<b>Amount (\$)</b>
Kate Evans	110018	Superannuation Guarantee	447.90
<b>Total Kate Evans</b>			<b>447.90</b>
<b>Fund total</b>			<b>1,320.70</b>
<b>Grand total</b>			<b>1,320.70</b>

FIGURE 7.49 – Superannuation accrual by fund

## Trial balance report

Apr 2023

Account no	Account name	Debit (\$)	Credit (\$)	YTD Debit (\$)	YTD Credit (\$)
1-1110	Business Bank Account		11,165.10	31,594.90	
1-2110	Shop Equipment @ Cost	0.00		52,500.00	
1-2120	Accum. Depr. Shop Equipment	0.00			17,380.00
1-2210	Motor Vehicles @ Cost	0.00		32,000.00	
1-2220	Accum. Depr. Motor Vehicles	0.00			5,500.00
2-1212	GST		0.00		3,680.00
2-1350	PAYG Withholding Payable		2,299.21		2,299.21
2-1355	Superannuation Payable		1,320.70		1,320.70
2-1360	Private Health Fund Payable		450.00		450.00
2-1361	Union Fees Payable		180.00		180.00
3-1000	Owner's Capital		0.00		21,426.00
3-2000	Owner's Drawings		0.00	15,500.00	
4-1400	Hairdressing Income		0.00		194,600.00
6-4100	Payroll - Wages & Salaries	14,177.11		104,517.11	
6-4200	Payroll- Superannuation	1,237.90		10,723.90	
<b>Grand total</b>		<b>15,415.01</b>	<b>15,415.01</b>	<b>246,835.91</b>	<b>246,835.91</b>

FIGURE 7.50 – Trial Balance for April

## REVISION EXERCISE 2

Jamie Butler owns and operates as DB Consultants Pty Ltd, a small company that develops software to suit client's needs. There are three employees who are paid weekly, and tax deducted from their wages (PAYG withholding tax) is remitted to the Australian Taxation Office (ATO) quarterly. The business is registered for GST and the accrual basis is used for accounting and GST purposes.

You are required to:

- Create a new MYOB data file.
- Make changes to the Chart of accounts.
- Enter opening General Ledger balances.
- Enter opening balances for customers.
- Set up payroll and employee cards.
- Prepare the payroll for the period based on the timesheet information.
- Print or display reports for the period.

### Create a new data file

Business name: **JB Consultants Pty Ltd**  
 ABN: **18 318 562 110**  
 Address: **19 Little Walker Street**  
**North Sydney NSW 2060**  
 Phone: **8912 1505**  
 Current financial year: **202\_**  
 Last month of financial year: **June**  
 Opening balance date: **December**  
 Industry: **Professional services**

### Enter opening balances

JB Consultants Pty Ltd 19 Little Walker Street North Sydney NSW 2060 8912 1505			
<b>Trial balance report</b>			
Nov 2022			
Account no	Account name	Debit (\$)	Credit (\$)
1-1110	Business Bank Account	37,530.90	
1-1200	Accounts Receivable	6,770.00	
1-2110	Office Equipment at cost	57,950.00	
1-2120	Accum. Depr. Office Equipment		17,860.00
2-1212	GST Balance		2,431.60
2-1350	PAYG Withholding Payable		5,779.00
2-1355	Superannuation Payable		2,088.50
2-1360	Private Health Fund Payable		630.00
2-1361	Child Care Payable		1,350.00
3-1000	Share Capital		100.00
3-8000	Retained Earnings		30,622.10
4-1300	Professional Fees		146,550.00
6-1210	Contractor Fees	4,500.00	
6-4100	Payroll - Wages & Salaries	80,227.80	
6-4200	Superannuation	7,932.50	
6-4310	Rent	12,500.00	
<b>Grand total</b>		<b>207,411.20</b>	<b>207,411.20</b>

FIGURE 7.51 – Opening balances

## Customers

<i>Company name</i>	Hannibal Pty Ltd	Ironside Gym	Miller Pathology	Mead Private Hospital
<i>Address</i>	220 Victoria Road Drummoyne NSW 2047	111 Pacific Hwy North Sydney NSW 2060	231 Miller Street North Sydney NSW 2060	1 Beamish Road Northmead NSW 2152
<i>Phone</i>	9719 2444	8068 8892	9460 2211	9890 4000
<i>Terms</i>	Net 30	Net 30	Net 30	Net 30
<i>Inv. No/Date</i>	1162 / 24/11/2_			1163 / 30/11/2_
<i>Amount incl. tax</i>	\$1,820			\$4,950

**TABLE 7.23 – Customer cards**

### Payroll Information:

Full Work Week Hours:	38 (5 days per week, 7.6 hours per day).
Overtime:	1.5x for first 3 hours, 2x after that and 2x on weekends.
Default Superannuation Fund:	<b>Host-Plus Superannuation Fund</b>
New Wage Category:	<b>Vehicle Allowance</b>
	Allowance – cents per km.
Superannuation Guarantee:	<b>11%</b> Print on Pay Advice and exempt additional wage category - Vehicle Allowance; Change linked payable account; Threshold \$0.00.
Salary Sacrifice Superannuation:	<b>5%</b> of gross wages. Change linked payable account.
Leave:	Print on Pay Advice.
New Deduction Categories:	<b>Private Health Fund</b> (User-Entered amount per pay period). <b>Child Care.</b> Change linked payable accounts; not reportable.

### Employees

All employees are individuals and paid by cheque.

Pay Basis:	Hourly
Pay Frequency:	Weekly
Superannuation:	All employees are members of the default fund
Tax Scale:	Tax Free Threshold
Vehicle Allowance Rate:	70c per kilometre

<i>Name:</i>	<b>Butler, Jamie</b>	<b>Donaldson, Brett</b>	<b>Nguyen, Mia</b>
<i>Address</i>	53 Shellcove Road Neutral Bay NSW 2089	8 Claude Street Chatswood NSW 2067	28 Noble Street Mosman NSW 2088
<i>Phone</i>	9953 2066	9777 1970	9969 2821
<i>Date of birth</i>	14/03/1984	15/11/1998	26/06/1999
<i>Start date</i>	1/07/2013	10/08/2018	3/02/2019
<i>Employment basis</i>	Full time	Full time	Part time (30 hours)
<i>Hourly rate</i>	\$45	\$38	\$23
<i>TFN</i>	281 322 189	620 153 640	187 229 806
<i>Private Health Fund</i>	\$80 per week	\$56 per week	
<i>Child Care</i>			\$250 per week

**TABLE 7.24 – Employee general information**

**Employee Payroll Categories & History (Carry Over or Year-to-date):**

**Note:** If the category has a tick or a number, then that category applies to that employee. Set up and save the employees and their year to date pay history.

Category	Type	Jamie Butler	Brett Donaldson	Mia Nguyen
Base Hourly	Wages	\$35,948.00	\$22,572.00	\$14,190.00
Annual Leave Loading	Wages	✓	\$399.00	✓
Annual Leave Pay	Wages	✓	\$2,280.00	✓
Overtime (1.5x)	Wages	\$3,870.00	\$990.00	\$165.00
Overtime (2x)	Wages	\$430.00	✓	✓
Personal Leave Pay	Wages	✓	\$228.00	\$330.00
Vehicle Allowance	Wages	\$805.20	\$33.00	✓
Private Health Fund	Deductions	\$1,760.00	\$1,012.00	N/A
Child Care	Deductions	N/A	N/A	\$5,500.00
Salary Sacrifice	Superannuation	\$2,012.40	N/A	N/A
PAYG Withholding	Taxes	\$7,418.00	\$4,505.00	\$2,203.00
Annual Leave Accrual - Balance Adjustment - Year-to date	Entitlements	395 64.324	52 64.324	50 42.318
Personal Leave Accrual - Balance adjustment - Year-to date	Entitlements	185 32.154	96 32.154	24.2 25.72
Superannuation Guarantee	Superannuation	\$3,774.50	\$2,633.40	\$1,524.60

**TABLE 7.25 – Employee information**

**Time sheets for the week ending 8/12/202\_ (Pay Date 9/12/202\_):**

Times given are in the decimal equivalent of hours and minutes. Read the timesheet information carefully as notes have been provided to assist in the preparation of the payroll for the week.

Date	Customer	Activity	Hours
2/12/2_	Mead Private Hospital	Consulting	6.5
	Mead Private Hospital	Travel (130km)	
	Mead Private Hospital	Programming	1.0
		Non chargeable	0.1
3/12/2_ (Saturday)	Mead Private Hospital	Programming	8.0
4/12/2_ (Sunday)	Mead Private Hospital	Programming	4.0
5/12/2_	Ironside Gym	Consulting	1.0
	Miller Pathology	Consulting	3.0
	Ironside Gym	Programming	4.0
		Non chargeable	0.6
6/12/2_	Ironside Gym	Programming	1.0
	Ironside Gym	Testing program	1.5
	Ironside Gym	Consulting	1.0
		Non chargeable (sick)	4.1
7/12/2_		Non chargeable (sick)	7.6
8/12/2_		Non chargeable (annual leave)	7.6
		<b>Total Hours</b>	<b>51</b>

**TABLE 7.26 – Timesheet for Jamie Butler**

Date	Customer	Activity	Hours
2/12/2_	Hannibal Pty Ltd	Consulting	2.0
	Hannibal Pty Ltd	Programming	5.5
		Non chargeable	1.1
5/12/2_	Mead Private Hospital	Testing program	5.0
	Mead Private Hospital	Travel (130km)	
		Non chargeable	2.6
6/12/2_	Hannibal Pty Ltd	Testing program	1.5
	Miller Pathology	Programming	5.5
		Non chargeable	0.6
7/12/2_	Hannibal Pty Ltd	Consulting	1.5
	Hannibal Pty Ltd	Travel (40km)	
	Mead Private Hospital	Consulting	2.0
	Mead Private Hospital	Travel (130km)	
	Miller Pathology	Programming	4.0
	Ironside Gym	Consulting	0.5
		Non chargeable	0.6
8/12/2_	Miller Pathology	Programming	8.0
	Miller Pathology	Testing	4.0
		Non chargeable	1.0
		<b>Total Hours</b>	<b>45.4</b>

**TABLE 7.27 – Timesheet for Brett Donaldson**

Date	Customer	Activity	Hours
2/12/2_		Non chargeable	7.5
6/12/2_	Hannibal Pty Ltd	Administration	2.0
		Non chargeable	5.5
7/12/2_	Miller Pathology	Administration	1.5
	Miller Pathology	Copy	
	Mead Private Hospital	Administration	3.0
	Mead Private Hospital	Copy	
	Ironside Gym	Administration	1.0
	Ironside Gym	Copy	
		Non chargeable	4.5
8/12/2_		Non chargeable (personal)	7.5
		<b>Total Hours</b>	<b>32.5</b>

**TABLE 7.28 – Timesheet for Mia Nguyen**

**Prepare pay cheques**

**9/12/2\_ Prepare the pay cheques for all employees for the period 2/12/2\_ to 8/12/2\_.**

Use the table below to work out the hours you need to enter in payroll for each employee.

Employee	Base Hourly	Overtime 1.5x	Overtime 2x	Personal Leave	Annual Leave Pay	Leave Loading	Mileage
Jamie Butler							
Brett Donaldson							
Mia Nguyen							

**TABLE 7.29 – Payroll worksheet**

## Reports:

Print or display the following reports –

- Payroll – Payroll activity (1/12/2\_ to 9/12/2\_)
- Business – Trial balance (December 202\_)
- Payroll – Pay run history (1/12/2\_ to 9/12/2\_)

JB Consultants Pty Ltd 19 Little Walker Street North Sydney NSW 2060 8912 1505						
<hr/>						
<b>Payroll activity report</b>						
01 Dec 2022 - 09 Dec 2022						
Employee name	Salary and wages (\$)	Deductions (\$)	Taxes (\$)	Net pay (\$)	Expenses (\$)	Leave (hrs)
Brett Donaldson	2,121.40	56.00	549.00	1,516.40	158.84	4.38
Jamie Butler	3,008.35	230.42	828.00	1,949.93	188.10	4.38
Mia Nguyen	776.25	250.00	95.00	431.25	75.90	3.46
<b>Grand total</b>	<b>5,906.00</b>	<b>536.42</b>	<b>1,472.00</b>	<b>3,897.58</b>	<b>422.84</b>	<b>12.22</b>

FIGURE 7.52 – Payroll activity

JB Consultants Pty Ltd 19 Little Walker Street North Sydney NSW 2060 8912 1505					
<hr/>					
<b>Trial balance report</b>					
Dec 2022					
Account no	Account name	Debit (\$)	Credit (\$)	YTD Debit (\$)	YTD Credit (\$)
1-1110	Business Bank Account		3,897.58	33,633.32	
1-1200	Accounts Receivable	0.00		6,770.00	
1-2110	Office Equipment at cost	0.00		57,950.00	
1-2120	Accum. Depr. Office Equipment	0.00			17,860.00
2-1212	GST Balance		0.00		2,431.60
2-1350	PAYG Withholding Payable		1,472.00		7,251.00
2-1355	Superannuation Payable		573.26		2,661.76
2-1360	Private Health Fund Payable		136.00		766.00
2-1361	Child Care Payable		250.00		1,600.00
3-1000	Share Capital		0.00		100.00
3-8000	Retained Earnings		0.00		30,622.10
4-1300	Professional Fees		0.00		146,550.00
6-1210	Contractor Fees	0.00		4,500.00	
6-4100	Payroll - Wages & Salaries	5,906.00		86,133.80	
6-4200	Superannuation	422.84		8,355.34	
6-4310	Rent	0.00		12,500.00	
<b>Grand total</b>		<b>6,328.84</b>	<b>6,328.84</b>	<b>209,842.46</b>	<b>209,842.46</b>

FIGURE 7.53 – Trial Balance

**Pay run history report**

01 Dec 2022 - 09 Dec 2022

Employee name	Card ID	Gross pay (\$)	PAYG (\$)	Deductions (\$)	Net pay (\$)	Superannuation (\$)	
Brett Donaldson	*None	2,121.40	(549.00)	(36.00)	1,516.40	158.84	
<b>Pay cycle</b>	<b>Notes</b>	<b>Superannuation fund</b>		<b>Annual salary (\$)</b>		<b>Hourly rate (\$)</b>	
Weekly		HOST - PLUS SUPERANNUATION FUND		75,088.00		38.00	
<b>Pay period: 02/12/2022 - 08/12/2022</b>							
Cheque No.	Date of payment	Description	Type	Hours	Calc. rate (\$)	Amount (\$)	YTD
2	09/12/2022	Vehicle Allowance	Salary and wages		0.00	210.00	243.00
2	09/12/2022	Base Hourly	Salary and wages	38.00	38.00	1,444.00	34,014.00
2	09/12/2022	Overtime (1.5x)	Salary and wages	5.00	57.00	285.00	1,275.00
2	09/12/2022	Overtime (2x)	Salary and wages	2.40	76.00	182.40	182.40
2	09/12/2022	Private Health Fund	Deductions		0.00	(56.00)	(1,068.00)
2	09/12/2022	Annual leave Full time hourly	Leave	2.92			119.25
2	09/12/2022	Personal leave Full time hourly	Leave	1.46			129.62
2	09/12/2022	PAYG Withholding	Tax		0.00	(549.00)	(5,054.00)
2	09/12/2022	Superannuation Guarantee	Superannuation Expenses		0.00	158.84	2,792.24
<b>Gross Pay</b>						<b>2,121.40</b>	
<b>Net Pay</b>						<b>1,516.40</b>	
Janie Butler	*None	3,008.35	(838.00)	(190.42)	1,949.93	338.52	
<b>Pay cycle</b>	<b>Notes</b>	<b>Superannuation fund</b>		<b>Annual salary (\$)</b>		<b>Hourly rate (\$)</b>	
Weekly		HOST - PLUS SUPERANNUATION FUND		88,920.00		45.00	
<b>Pay period: 02/12/2022 - 08/12/2022</b>							
Cheque No.	Date of payment	Description	Type	Hours	Calc. rate (\$)	Amount (\$)	YTD
1	09/12/2022	Vehicle Allowance	Salary and wages		0.00	91.00	896.20
1	09/12/2022	Overtime (2x)	Salary and wages	12.00	90.00	1,080.00	1,510.00
1	09/12/2022	Base Hourly	Salary and wages	18.70	45.00	841.50	36,799.50
1	09/12/2022	Annual Leave Loading	Salary and wages	7.60	7.88	59.85	59.85
1	09/12/2022	Annual Leave Pay	Salary and wages	7.60	45.00	342.00	342.00
1	09/12/2022	Overtime (1.5x)	Salary and wages	1.00	67.50	67.50	3,937.50
1	09/12/2022	Personal Leave Pay	Salary and wages	11.70	45.00	526.50	526.50
1	09/12/2022	Private Health Fund	Deductions		0.00	(80.00)	(1,840.00)
1	09/12/2022	Annual leave Full time hourly	Leave	2.92			454.45
1	09/12/2022	Personal leave Full time hourly	Leave	1.46			206.92
1	09/12/2022	PAYG Withholding	Tax		0.00	(828.00)	(8,246.00)
1	09/12/2022	Salary Sacrifice	Superannuation Deductions		0.00	(190.42)	(2,162.82)
1	09/12/2022	Superannuation Guarantee	Superannuation Expenses		0.00	188.10	3,962.60
<b>Gross Pay</b>						<b>3,008.35</b>	
<b>Net Pay</b>						<b>1,949.93</b>	
Mia Nigoyan	*None	776.25	(61.00)	(250.00)	431.25	75.80	
<b>Pay cycle</b>	<b>Notes</b>	<b>Superannuation fund</b>		<b>Annual salary (\$)</b>		<b>Hourly rate (\$)</b>	
Weekly		HOST - PLUS SUPERANNUATION FUND		35,880.00		23.00	
<b>Pay period: 02/12/2022 - 08/12/2022</b>							
Cheque No.	Date of payment	Description	Type	Hours	Calc. rate (\$)	Amount (\$)	YTD
3	09/12/2022	Personal Leave Pay	Salary and wages	7.50	23.00	172.50	502.50
3	09/12/2022	Base Hourly	Salary and wages	22.50	23.00	517.50	14,707.50
3	09/12/2022	Overtime (1.5x)	Salary and wages	2.50	34.50	86.25	251.25
3	09/12/2022	Child Care	Deductions		0.00	(250.00)	(5,750.00)
3	09/12/2022	Annual leave Part time hourly	Leave	2.31			54.63
3	09/12/2022	Personal leave Part time hourly	Leave	1.15			43.57
3	09/12/2022	PAYG Withholding	Tax		0.00	(95.00)	(2,298.00)
3	09/12/2022	Superannuation Guarantee	Superannuation Expenses		0.00	75.90	1,606.50
<b>Gross Pay</b>						<b>776.25</b>	
<b>Net Pay</b>						<b>431.25</b>	
<b>Grand total</b>		<b>5,906.00</b>	<b>(1,472.00)</b>	<b>(536.42)</b>	<b>3,897.58</b>	<b>573.26</b>	

FIGURE 7.54 – Pay run history (expanded)

## CHAPTER 8 - JOB COSTING

Job costing is a very useful feature where a business charges customers for specific jobs undertaken on their behalf. You may, or may not, have noticed when you were preparing the pay runs that alongside the various line items there was a link where you could allocate the labour cost to jobs. We did not get to use that feature in the previous chapter, but job costing will include labour and materials. Examples of industries that would use job costing are construction, accounting, printing, or consulting.

During June the owner of Carry On Camping set up a manufacturing side to his business, making tents to order. He has expertise in this area and has employed two staff to assist him in this new enterprise. The business already has some orders to fill.

Use Contacts to set up the following customers and suppliers.

### Set up Customer Cards

<i>Company name</i>	Down Under Tent Co	Kangaroo Camping Gear
<i>Address</i>	736 Wanneroo Road Malaga WA 6090	233 Bussell Hwy Bunbury WA 6230
<i>Phone</i>	9249 9110	9795 7100
<i>Terms</i>	Net 30 days	Net 15 days

TABLE 8.1 – Customer cards

### Set up Supplier Cards

When a business does not have sufficient staff or expertise in-house, they use the services of outside contractors or consultants. These costs cannot be absorbed by the business; they must pass them on to the customer. The company gets its tent patterns done by BP Drafting & Design, and Tiger Welders make the frames for the tents. These companies are subcontractors. Including the expense account information in their contact details speeds up processing of their bills. You will need to create the expense account.

<i>Company name</i>	BP Drafting & Design	Tiger Welders
<i>Address</i>	77 Sunset Boulevard City Beach WA 6015	28 Banksia Road Welshpool WA 6106
<i>ABN</i>	09 289 377 202	17 229 003 470
<i>Expense account</i>	5-2380 Subcontractors	5-2380 Subcontractors
<i>Phone</i>	9385 8890	9356 1720

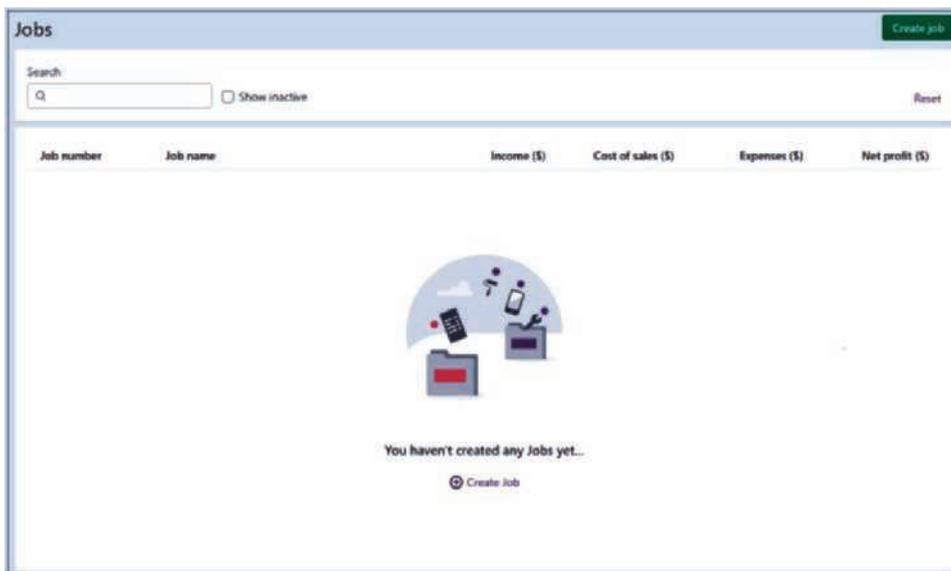
TABLE 8.2 – Supplier cards

### Job Costing

The job costing feature allows you to maintain a separate record of costs and expenses associated with any number of jobs and charge them to a customer on a job-by-job basis. Reimbursable expenses incurred, such as tent design costs in this exercise, can be tracked and charged to a job. Budgets can also be set for jobs but will not be used in this exercise.

### Set Up Jobs

To set up the jobs in table 8.3, *click Accounting* on the menu bar and then select **Jobs** on the menu. The screen shown in figure 8.1 will appear.



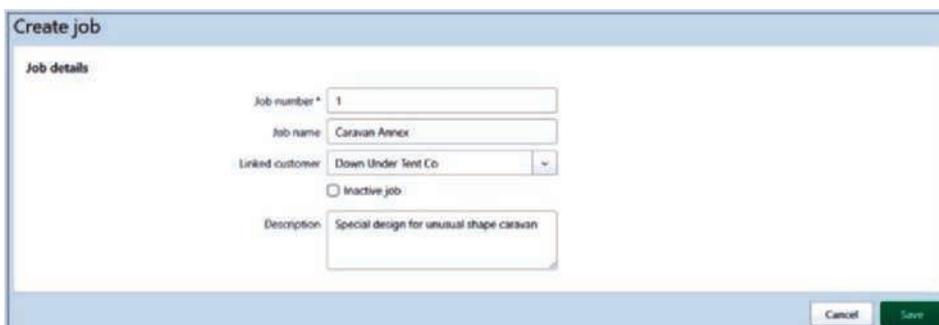
**FIGURE 8.1 – Blank jobs screen**

<i>Job Number</i>	1	2	3	4	5
<i>Job Name</i>	Caravan Annex	Ute Tent	Large Tent	Repairs	Caravan Annex
<i>Job Description</i>	Special design for unusual shape caravan	Fold-out tent to fit Toyota Hilux Ute	5m x 3m tent	Tent repairs	Heavy duty caravan annex
<i>Linked Customer</i>	Down Under Tent Co	Kangaroo Camping Gear	Down Under Tent Co	Scout Shop	Kalbarri General Store

**TABLE 8.3 – Job details**

To set up a job *click* [Create job].

Job number: **1**  
 Job name: **Caravan Annex**  
 Linked customer: **Down Under Tent Co**  
 Description: **Special design for unusual shape caravan**



**FIGURE 8.2 – Set up the Caravan Annex job**

*Click* [Save] and set up the other jobs.

## **Record supplier's bills with amounts to be on-charged**

The manufacture of tents requires raw materials. Record these transactions from new suppliers for what should really be new inventory items, but because we are limited to only 10 inventory items in this software, we will work on the basis that they buy in these items specifically for each job. That is obviously not the way a business operates, they would buy in bulk to reduce costs, but it allows us to avoid having to record them as inventory. The expense account for these purchases is 'Cost of sales – tents.'

**16/06/202\_** Received the goods ordered by phone from Canvas Supply Co of 66 King St, Bayswater, WA 6053 (ABN 21 330 260 550) together with their invoice #2290 for \$2750.00 for 50 metres of lightweight waterproof canvas @ \$35.00 per metre, and 15 metres of heavy-duty canvas @ \$50.00. Prices exclude GST. Terms N30.  
**Job # 1 – 10m lightweight waterproof canvas**  
**Job #2 – 10m lightweight waterproof canvas**  
**Job #3 – 30m lightweight waterproof canvas**  
**Job #5 – 15m heavy-duty canvas**

Supplier: Canvas Supply Co  
 Bill no: Accept number shown.  
 Supplier invoice no: 2290  
 Issue date: 16/06/202\_  
 Due date: 16/07/202\_  
 Amounts are: © Tax exclusive.  
 Change the layout to 'Services' (To use qty x price would involve inventory)  
 Description: 10m lightweight waterproof canvas  
 Account: 5-1400 Cost of Sales Tents  
 Amount: 350 (10 x \$35)  
 Job: 1  
 Tax code: GST

Continue in the same manner until you have a bill that looks like figure 8.3.

The screenshot shows a 'Create bill' form for Canvas Supply Co. The form includes fields for Supplier, Bill number (00002005), Supplier invoice number (2290), Issue date (16/06/2023), and Due date (16/07/2023). The 'Amounts are' section is set to 'Tax exclusive'. A table lists the items on the invoice:

Description	Account *	Amount (\$) *	Job	Tax code *
10m lightweight waterproof canvas	5-1400 Cost of Sales Tents	350.00	1	GST
10m lightweight waterproof canvas	5-1400 Cost of Sales Tents	350.00	2	GST
30m lightweight waterproof canvas	5-1400 Cost of Sales Tents	1,050.00	3	GST
15m heavy-duty canvas	5-1400 Cost of Sales Tents	750.00	5	GST

Below the table is a 'Notes' field. To the right, a summary shows: Subtotal \$2,500.00, Freight \$0.00, Tax \$250.00, Total \$2,750.00, Amount paid \$0.00, and Balance due \$2,750.00. At the bottom are buttons for 'View PDF', 'Save as recurring', 'Prefill from recurring', 'Cancel', 'Save and...', and 'Save'.

FIGURE 8.3 – Supplier invoice with jobs

Record the other bills in the same manner, using the service layout.

**18/06/202\_** Received the goods ordered on the internet from Image Products of 9 Avery Court, Rockdale, NSW 2216 (ABN 79 236 644 207) together with their invoice #1091 for \$550.00 for 50 metres of heavy-duty zipper @ \$10.00 per metre excluding GST. Terms N30.  
**10m each for jobs #1,2 & 5 and 20m for job #3.**

This bill is from the company that makes the patterns that are used when cutting the tent material. When you record this and the following bill, the account will automatically be selected for you because it was setup on their cards.

BP Drafting & Design 77 Sunset Boulevard City Beach WA 6015				
23/06/202_			Tax Invoice # 37 Net 30	
16/06/202_	Pattern making – Caravan Annex	2 hours	\$120.00	240.00
20/06/202_	Pattern making – Ute Tent	4 hours	\$120.00	480.00
			GST	72.00
			Total	\$792.00

FIGURE 8.4 – Supplier professional invoice

The screenshot shows a 'Create bill' form with the following details:

- Supplier:** BP Drafting & Design (ABN invalid)
- Bill number:** 00002007
- Supplier invoice number:** 37
- Issue date:** 23/06/2023
- Due date:** 23/07/2023
- Amounts are:** Tax inclusive (selected)
- Billing address:** 77 Sunset Boulevard, City Beach WA 6015, Australia
- Report to ATO via TPBAR:**
- Table of items:**

Description	Account *	Amount (\$)	Job	Tax code *
Pattern making for caravan annex	5-2380 Subcontractors	240.00	1	GST
Pattern making for ute tent	5-2380 Subcontractors	480.00	2	GST
- Notes:** (Empty text area)
- Summary:**
  - Subtotal: \$720.00
  - Freight (\$): 0.00 GST
  - Tax: \$72.00
  - Total: \$792.00
  - Amount paid (\$): 0.00
  - Balance due: \$792.00
- Buttons:** View PDF, Save as recurring, Prefill from recurring, Cancel, Save and..., Save

FIGURE 8.5 – Bill from subcontractor

This bill is from the subcontractor who manufactures the tent frames.

**26/06/202\_ Invoice #280 from Tiger Welders for \$1,045.00 (including GST) covers the cost of tent frames for the following jobs: Caravan Annex - \$363.00; Ute Tent - \$407.00; Large Tent - \$275.00. Terms N30.**

## Timesheets

The employees completed timesheets for the time spent on various jobs for customers and non-chargeable time. The pays processed in the previous chapter were based on the information on these timesheets. We are now going to use the information in the timesheets to charge our customers. Ideally, we should have added job numbers when we were preparing the pay run, but that would have disrupted the focus on payroll. We will allocate the labour cost for each job by general journal entry.

In the revision exercises you will learn how to add jobs when preparing employee's pays, therefore it is important that you complete the revision exercises.

### *Peter Walker's timesheet*

Date	Customer	Activity	Job#	Hours	Km
13/06/202_		Non-chargeable		7.6	
14/06/202_	Down Under Tent Co		1	2.0	
	Down Under Tent Co	Travel	1		36
		Non-chargeable		6.6	
		Own vehicle			15
15/06/202_	Down Under Tent Co		1	5.0	
		Non-chargeable		2.6	
16/06/202_	Down Under Tent Co		1	1.1	
		Non-chargeable		6.5	
17/06/202_	Kangaroo Camping Gear		2	4.1	
	Kangaroo Camping Gear	Travel	2		10
		Non-chargeable		4.5	
20/06/202_	Kangaroo Camping Gear		2	6.2	
		Non-chargeable		1.4	
21/06/202_	Scout Shop	Repair	4	4.0	
		Non-chargeable		8.6	
22/06/202_	Kalbarri General Store		5	5.6	
		Non-chargeable		2.0	
23/06/202_	Down Under Tent Co		3	2.8	
	Down Under Tent Co	Travel	3		36
		Non-chargeable		4.8	
24/06/202_		Non-chargeable		7.6	
27/06/202_	Kangaroo Camping Gear		2	2.6	
	Kangaroo Camping Gear	Travel	2		10
		Non-chargeable		5.1	
28/06/202_	Down Under Tent Co		1	3.0	
	Down Under Tent Co	Travel	1		36
		Non-chargeable		5.6	
29/06/202_	Scout Shop	Repair	4	2.0	
	Down Under Tent Co		3	5.0	
		Non-chargeable		0.6	
30/06/202_	Down Under Tent Co		3	2.0	
		Own vehicle			15
		Non-chargeable		6.6	

**TABLE 8.4 – Peter Walker's timesheet**

On the timesheets you will find activities such as:

- Own vehicle – these are the kilometres travelled by an employee on company business using their own vehicle e.g., picking up stock. They are reimbursed for this in their pay.
- Travel - these are kilometres travelling to and from a customer's premises using the business' vehicle, and they are charged to the customer at \$1.00 per km.

### Samantha Wood's timesheet

Date	Customer	Activity	Job#	Hours	Units
13/06/202_		Own vehicle			8
		Non-chargeable		7.6	
14/06/202_		Own vehicle			17
		Non-chargeable		7.6	
15/06/202_	Down Under Tent Co		1	6	
		Non-chargeable		1.6	
16/06/202_	Down Under Tent Co		1	5.2	
		Non-chargeable		2.4	
17/06/202_	Down Under Tent Co		1	7.2	
		Non-chargeable		2.4	
20/06/202_	Kangaroo Camping Gear		2	2.8	
		Non-chargeable		4.8	
21/06/202_	Scout Shop	Repair	4	1.0	
	Kangaroo Camping Gear		2	5.0	
		Non-chargeable		1.6	
22/06/202_	Kalbarri General Store		5	3	
		Non-chargeable		4.6	
23/06/202_	Kalbarri General Store		5	6.8	
		Non-chargeable		1.8	
24/06/202_	Down Under Tent Co		3	5.6	
		Non-chargeable		2.0	
27/06/202_	Down Under Tent Co		3	2	
		Non-chargeable		5.6	
28/6/202_	Down Under Tent Co		1	4.0	
		Non-chargeable		3.6	(Sick)
29/06/202_	Scout Shop	Repair	4	0.6	
	Down Under Tent Co		1	2.6	
		Own vehicle			33
		Non-chargeable		4.4	
30/06/202_	Down Under Tent Co		3	3.0	
		Non-chargeable		4.6	

**TABLE 8.5 – Samantha Wood's timesheet**

To simplify posting, a worksheet has been prepared for you. It shows the total number of hours spent by each employee on each of the jobs, and the travel kilometres for each job, using information in the timesheets in tables 8.4 and 8.5.

Job #	Customer	Peter Walker		Samantha Wood	Total Labour Cost
		Hours	Kilometres		
1	Down Under Tent Co	11.1 (\$430.68)	72 (\$50.40)	25 (\$775.00)	\$1,205.68
2	Kangaroo Camping Gear	12.9 (\$500.52)	20 (\$14.00)	7.8 (\$241.80)	\$742.32
3	Down Under Tent Co	9.8 (\$380.24)	36 (\$25.20)	10.6 (\$328.60)	\$708.84
4	Scout Shop	6 (\$232.80)		1.6 (\$49.60)	\$282.40
5	Kalbarri General Store	5.6 (\$217.28)		9.8 (\$303.80)	\$521.08

**TABLE 8.6 – Worksheet**

Peter's rate of pay is \$38.80 per hour and Samantha's is \$31.00 per hour. The rate of 70c per kilometre has been used.

## Job costs

On the **Accounting** menu *select Jobs* and the window shown in figure 8.6 will display.

Job number	Job name	Income (\$)	Cost of sales (\$)	Expenses (\$)	Net profit (\$)
1	Caravan Annex	0.00	1,020.00	0.00	-1,020.00
2	Ute Tent	0.00	1,300.00	0.00	-1,300.00
3	Large Tent	0.00	1,500.00	0.00	-1,500.00
5	Caravan annex	0.00	850.00	0.00	-850.00

FIGURE 8.6 – Job costs

Alternatively, the report 'Job profit and loss' shows the same figures, and it does give you the option to expand the report so that you can see what the cost is made up of. These are our costs to date.

### Adding other job costs

*Select Create general journal* on the '**Accounting**' menu, to record the labour and travel costs.

Date: **30/06/202\_**  
 Description: **Labour costs on jobs.**  
 Reference number: Accept the number displayed.  
 Account: **5-2130 Direct Labour** (you will need to add this account).  
 Debit: **1205.68**  
 Job: **1**  
 Tax code: **N-T** (this is an internal adjustment).

Continue entering the information from table 8.6.

The final line of the journal entry is:

Account: **6-4100 Payroll – Wages & Salaries**

You are moving direct labour costs from the general expense of wages & salaries to the cost of sales for specific jobs. Check your entry against figure 8.7.

**Create general journal transaction**

Date\*: 30/06/2023  
 Reference number\*: GJ000011  
 Display in GST report as\*:  Purchase  
 Amounts are:  Tax inclusive  
 Description of transaction: Labour costs on jobs

Account *	Debit (\$)	Credit (\$)	Quantity	Description	Job	Tax code *
5-2130 Direct Labour	1,205.68				1	N-T
5-2130 Direct Labour	742.32				2	N-T
5-2130 Direct Labour	708.84				3	N-T
5-2130 Direct Labour	282.40				4	N-T
5-2130 Direct Labour	521.08				5	N-T
6-4100 Payroll - Wages & Salaries		3,460.32				N-T

Total debit: \$3,460.32  
 Total credit: \$3,460.32  
 Tax: \$0.00  
 Out of balance: \$0.00

Buttons: Save as recurring, Prefill from recurring, Cancel, Record and new, Record

FIGURE 8.7 – Journalise direct labour costs

Now record the general journal shown in figure 8.8 to allocate travel costs to the various jobs.

**Create general journal transaction**

Date\* 30/06/2023 Reference number\* GJ000012

Display in GST report as: \*  Purchase  Sale

EDFY adjustment  Amounts are  Tax inclusive  Tax exclusive

Description of transaction: Travel costs allocated to jobs

Account *	Debit (\$)	Credit (\$)	Quantity	Description	Job	Tax code *
5-1400 Cost of Sales Tents	50.40				1	N-T
5-1400 Cost of Sales Tents	14.00				2	N-T
5-1400 Cost of Sales Tents	25.20				3	N-T
6-1700 Motor Vehicle Expenses		89.60				N-T

Total debit 89.60  
Total credit 89.60  
Tax 0.00  
Out of balance 0.00

Buttons: Save as recurring, Prefill from recurring, Cancel, Record and new, Record

FIGURE 8.8 – Journalise travel costs

Your **Job profit and loss report** should now look the same as figure 8.9. Job 1 has been expanded to display the makeup of the costs.

**Job profit and loss report**

Date range: Custom | Date from: 01/06/2023 | Date to: 30/06/2023 | Jobs: All selected | Consolidate jobs:

1 June 2023 to 30 June 2023 | Refresh | Expand all | Collapse all | Customise | Export

Job number	Job name	Income (\$)	Cost (\$)	Expense (\$)	Net profit (\$)																																
1	Caravan Annex	0.00	2,276.08	0.00	(2,276.08)																																
<table border="1"> <thead> <tr> <th>Account number</th> <th>Account name</th> <th>Selected period (\$)</th> <th>Year to date (\$)</th> </tr> </thead> <tbody> <tr> <td>Cost of sales</td> <td>5-1400 Cost of Sales Tents</td> <td>506.40</td> <td>506.40</td> </tr> <tr> <td></td> <td>5-2130 Direct Labour</td> <td>1,205.68</td> <td>1,205.68</td> </tr> <tr> <td></td> <td>5-2380 Subcontractors</td> <td>570.00</td> <td>570.00</td> </tr> <tr> <td><b>Total</b></td> <td></td> <td><b>2,276.08</b></td> <td><b>2,276.08</b></td> </tr> <tr> <td><b>Gross profit</b></td> <td></td> <td></td> <td><b>(2,276.08)</b></td> </tr> <tr> <td><b>Operating profit</b></td> <td></td> <td></td> <td><b>(2,276.08)</b></td> </tr> <tr> <td><b>Net profit</b></td> <td></td> <td></td> <td><b>(2,276.08)</b></td> </tr> </tbody> </table>						Account number	Account name	Selected period (\$)	Year to date (\$)	Cost of sales	5-1400 Cost of Sales Tents	506.40	506.40		5-2130 Direct Labour	1,205.68	1,205.68		5-2380 Subcontractors	570.00	570.00	<b>Total</b>		<b>2,276.08</b>	<b>2,276.08</b>	<b>Gross profit</b>			<b>(2,276.08)</b>	<b>Operating profit</b>			<b>(2,276.08)</b>	<b>Net profit</b>			<b>(2,276.08)</b>
Account number	Account name	Selected period (\$)	Year to date (\$)																																		
Cost of sales	5-1400 Cost of Sales Tents	506.40	506.40																																		
	5-2130 Direct Labour	1,205.68	1,205.68																																		
	5-2380 Subcontractors	570.00	570.00																																		
<b>Total</b>		<b>2,276.08</b>	<b>2,276.08</b>																																		
<b>Gross profit</b>			<b>(2,276.08)</b>																																		
<b>Operating profit</b>			<b>(2,276.08)</b>																																		
<b>Net profit</b>			<b>(2,276.08)</b>																																		
> 2	Lite Tent	0.00	2,056.32	0.00	(2,056.32)																																
> 3	Large Tent	0.00	2,234.04	0.00	(2,234.04)																																
> 4	Repairs	0.00	282.43	0.00	(282.43)																																
> 5	Caravan Annex	0.00	1,371.08	0.00	(1,371.08)																																

FIGURE 8.9 – Job profit and loss report

**Note:** If you are missing some figures, it is probably because you forgot to enter the job number(s) in the journal transactions.

## Job Costing Invoices

We are in business to make a profit, so these costs are to be marked up by around 25% to cover other running costs and give the business some profit margin. These customers would probably have been given quotes for the jobs, but we are going to assume they were not.

Click **Create invoice** on the Sales menu and create GST exclusive service invoices to these customers, all dated 30/06/202\_.

Down Under Tent Co - Job #1 – Caravan Annex - \$2,845  
 Kangaroo Camping Gear – Job #2 – Ute Tent - \$2,570  
 Down Under Tent Co – Job #3 – Large Tent - \$2,800  
 Scout Shop – Job #4 – Repair Tents - \$350  
 Kalbarri General Store – Job #5 – Caravan Annex - \$1,750

The amounts being invoiced to all customers, except the Scout Shop, are posted to the Sales Tents account. The account to be used for the Scout Shop is Service Income. Remember to include the job number otherwise your job profit report will not look like the one in figure 8.12.

**Invoice 2227** Open

TOTAL AMOUNT: \$3,129.50 | TOTAL PAID: \$0.00 | BALANCE DUE: \$3,129.50

Customer: Down Under Tent Co  
 Invoice number: 2227  
 Issue date: 30/06/2023  
 Due date: 30/07/2023

Description	Account	Amount (\$)	Job	Tax code
Customised caravan annex	4-1400 Sales Tents	2,845.00	1	GST

Subtotal: \$2,845.00  
 Freight (\$): 0.00  
 Tax: \$284.50  
 Total: \$3,129.50  
 Amount paid: \$0.00  
 Balance due: \$3,129.50

FIGURE 8.10 – Create invoice for Job #1

**Carry On Camping**  
 1800 Albany Highway  
 Maddington WA 6109  
 Phone: 9459 1999  
 carryonco@inet.net.au  
 ABN: 62 099 854 074

**Tax invoice**

Invoice number: 2227 | Issue date: 30/06/2023 | Due date: 30/07/2023

Bill to:  
 Down Under Tent Co  
 736 Wanneroo Road  
 Malaga WA 6090  
 Australia

Description	Tax	Amount (\$) excluding tax
Customised caravan annex	GST	2,845.00
Subtotal (exc. tax)		\$2,845.00
Tax		\$284.50
Total Amount (inc. tax)		\$3,129.50
Total paid		\$0.00
<b>Balance due</b>		<b>\$3,129.50</b>

FIGURE 8.11 – PDF invoice for Job #1

# Job Costing Reports

Reporting > Reports > Jobs

Carry On Camping  
1800 Albany Highway  
Maddington WA 6109  
9459 1999

---

### Job profit and loss report

01 Jun 2023 - 30 Jun 2023

Job number	Job name	Income (\$)	Cost (\$)	Expense (\$)	Net profit (\$)
1	Caravan Annex	2,845.00	2,276.08	0.00	568.92
2	Ute Tent	2,570.00	2,056.32	0.00	513.68
3	Large Tent	2,800.00	2,234.04	0.00	565.96
4	Repairs	350.00	282.40	0.00	67.60
5	Caravan Annex	1,750.00	1,371.08	0.00	378.92

FIGURE 8.12 – Job profit and loss

Carry On Camping  
1800 Albany Highway  
Maddington WA 6109  
9459 1999

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### Job activity report

01 Jun 2023 - 30 Jun 2023

Account number	Account name	Debit (\$)	Credit (\$)
4-1400	Sales Tents	0.00	9,965.00
4-2100	Service Income		350.00
5-1400	Cost of Sales Tents	3,089.60	0.00
5-2130	Direct Labour	3,460.32	0.00
5-2380	Subcontractors	1,670.00	0.00
<b>Grand total</b>		<b>8,219.92</b>	<b>10,315.00</b>

FIGURE 8.13 – Job activity

## Job transactions (accrual) report

01 Jun 2023 - 30 Jun 2023

Job number	Job name	Beginning balance (\$)	Net activity (\$)	Ending balance (\$)		
<b>1</b>	<b>Caravan Annex</b>	<b>0.00</b>	<b>568.92</b>	<b>568.92</b>		
ID number	Type	Date	Memo	Account number	Debit (\$)	Credit (\$)
00002005	Purchase	16/06/2023	Purchase; Canvas Supply Co	5-1400	350.00	
00002006	Purchase	18/06/2023	Purchase; Image Products	5-1400	100.00	
00002007	Purchase	23/06/2023	Purchase; BP Drafting & Design	5-2380	240.00	
00002008	Purchase	26/06/2023	Purchase; Tiger Welders	5-2380	330.00	
2227	Sale	30/06/2023	Sale; Down Under Tent Co	4-1400		2,845.00
GJ000011	General journal	30/06/2023	Labour costs on jobs	5-2130	1,205.68	
GJ000012	General journal	30/06/2023	Travel costs allocated to jobs	5-1400	50.40	
<b>Total</b>					<b>2,276.08</b>	<b>2,845.00</b>
<b>2</b>	<b>Ute Tent</b>	<b>0.00</b>	<b>513.68</b>	<b>513.68</b>		
ID number	Type	Date	Memo	Account number	Debit (\$)	Credit (\$)
00002005	Purchase	16/06/2023	Purchase; Canvas Supply Co	5-1400	350.00	
00002006	Purchase	18/06/2023	Purchase; Image Products	5-1400	100.00	
00002007	Purchase	23/06/2023	Purchase; BP Drafting & Design	5-2380	480.00	
00002008	Purchase	26/06/2023	Purchase; Tiger Welders	5-2380	370.00	
2228	Sale	30/06/2023	Sale; Kangaroo Camping Gear	4-1400		2,570.00
GJ000011	General journal	30/06/2023	Labour costs on jobs	5-2130	742.32	
GJ000012	General journal	30/06/2023	Travel costs allocated to jobs	5-1400	14.00	
<b>Total</b>					<b>2,056.32</b>	<b>2,570.00</b>
<b>3</b>	<b>Large Tent</b>	<b>0.00</b>	<b>565.96</b>	<b>565.96</b>		
ID number	Type	Date	Memo	Account number	Debit (\$)	Credit (\$)
00002005	Purchase	16/06/2023	Purchase; Canvas Supply Co	5-1400	1,050.00	
00002006	Purchase	18/06/2023	Purchase; Image Products	5-1400	200.00	
00002008	Purchase	26/06/2023	Purchase; Tiger Welders	5-2380	250.00	
2229	Sale	30/06/2023	Sale; Down Under Tent Co	4-1400		2,800.00
GJ000011	General journal	30/06/2023	Labour costs on jobs	5-2130	708.84	
GJ000012	General journal	30/06/2023	Travel costs allocated to jobs	5-1400	25.20	
<b>Total</b>					<b>2,234.04</b>	<b>2,800.00</b>
<b>4</b>	<b>Repairs</b>	<b>0.00</b>	<b>67.60</b>	<b>67.60</b>		
ID number	Type	Date	Memo	Account number	Debit (\$)	Credit (\$)
2230	Sale	30/06/2023	Sale; Scout Shop	4-2100		350.00
GJ000011	General journal	30/06/2023	Labour costs on jobs	5-2130	282.40	
<b>Total</b>					<b>282.40</b>	<b>350.00</b>
<b>5</b>	<b>Caravan Annex</b>	<b>0.00</b>	<b>378.92</b>	<b>378.92</b>		
ID number	Type	Date	Memo	Account number	Debit (\$)	Credit (\$)
00002005	Purchase	16/06/2023	Purchase; Canvas Supply Co	5-1400	750.00	
00002006	Purchase	18/06/2023	Purchase; Image Products	5-1400	100.00	
2231	Sale	30/06/2023	Sale; Kalbarri General Store	4-1400		1,750.00
GJ000011	General journal	30/06/2023	Labour costs on jobs	5-2130	521.08	
<b>Total</b>					<b>1,371.08</b>	<b>1,750.00</b>
<b>Grand total</b>					<b>2,095.08</b>	<b>2,095.08</b>

FIGURE 8.14 – Job transactions (Accrual)

## Other Reports

Display the following reports:

- Unpaid invoices as at 30/06/202\_
- Unpaid bills as at 30/06/202\_
- Trial Balance for June 202\_

Carry On Camping 1800 Albany Highway Maddington WA 6109 9459 1999						
<hr/>						
<b>Unpaid invoices report</b>						
30 Jun 2023						
Customer name	Customer number	0 - 30	31 - 60	61 - 90	90+	Total due (\$)
Down Under Tent Co	*None	6,209.50	0.00	0.00	0.00	6,209.50
Kalbarri General Store	*None	1,925.00	4,171.00	0.00	0.00	6,096.00
Kangaroo Camping Gear	*None	2,827.00	0.00	0.00	0.00	2,827.00
Outback Touring Company	*None	0.00	2,167.00	1,190.00	0.00	3,357.00
Police Supply Dept	*None	0.00	3,641.00	0.00	0.00	3,641.00
Scout Shop	*None	385.00	2,772.00	0.00	0.00	3,157.00
Woodbridge Primary School	*None	0.00	9,768.00	0.00	0.00	9,768.00
<b>Grand total</b>		<b>11,346.50</b>	<b>22,519.00</b>	<b>1,190.00</b>	<b>0.00</b>	<b>35,055.50</b>

FIGURE 8.15 – Unpaid invoices

Carry On Camping 1800 Albany Highway Maddington WA 6109 9459 1999						
<hr/>						
<b>Unpaid bills report</b>						
30 Jun 2023						
Supplier name	Supplier number	0 - 30	31 - 60	61 - 90	90+	Total due (\$)
BP Drafting & Design	*None	792.00	0.00	0.00	0.00	792.00
Canvas Supply Co	*None	2,750.00	0.00	0.00	0.00	2,750.00
Commercial Realty	*None	0.00	3,850.00	0.00	0.00	3,850.00
Garmin & Co Australia	*None	0.00	2,926.00	0.00	0.00	2,926.00
Image Products	*None	550.00	0.00	0.00	0.00	550.00
Ozzie Trailblazers	*None	0.00	3,465.00	3,535.00	0.00	7,000.00
Sleepover	*None	0.00	1,463.00	0.00	0.00	1,463.00
Tiger Welders	*None	1,045.00	0.00	0.00	0.00	1,045.00
<b>Grand total</b>		<b>5,137.00</b>	<b>11,704.00</b>	<b>3,535.00</b>	<b>0.00</b>	<b>20,376.00</b>

FIGURE 8.16 – Unpaid bills

### Trial balance report

Jun 2023

Account no	Account name	Debit (\$)	Credit (\$)	YTD Debit (\$)	YTD Credit (\$)
1-1110	Business Bank Account		12,785.18		7,754.58
1-1120	Business Investment Account	0.00		15,039.80	
1-1121	Petty Cash/Cash on Hand	0.00		100.00	
1-1200	Accounts Receivable	11,346.50		35,055.50	
1-1201	Less Prov'n for Doubtful Debts	0.00			145.00
1-1300	Inventory	0.00		10,700.00	
1-1310	Prepaid Insurance	0.00		444.00	
1-1311	Prepaid Advertising	0.00		3,600.00	
1-2110	Furniture & Equipment At Cost	0.00		11,400.00	
1-2120	Accum. Depr. Furniture & Equipment	0.00			4,515.00
1-2210	Improvements At Cost	0.00		5,000.00	
1-2220	Accum. Depr. Improvements	0.00			3,947.00
1-2310	Motor Vehicles At Cost	0.00		18,090.91	
1-2320	Accum. Depr. Motor Vehicles	0.00			376.89
2-1110	Visa		0.00		289.80
2-1140	Accounts Payable		5,137.00		20,376.00
2-1212	GST		564.50		517.34
2-1350	PAYG Withholding Payable		3,130.12		4,746.12
2-1355	Superannuation Payable		1,444.25		2,124.23
2-1360	Wages & Salaries Payable	1,676.00			0.00
2-1361	Union Fees Payable		54.00		54.00
2-1362	Health Fund Payable		860.00		860.00
2-2105	Business Loan		0.00		13,650.00
3-1000	Owner's Capital		0.00		53,225.00
3-2000	Owner's Drawings		0.00	26,764.00	
4-1400	Sales Tents		9,965.00		133,025.00
4-1500	Sales Sleeping Equipment		0.00		17,492.73
4-1600	Sales Kitchen Equipment		0.00		55,130.00
4-1700	Sales Other		0.00		61,760.00
4-2100	Service Income		350.00		3,570.00
4-2200	Freight Income		0.00		1,350.00
4-2300	Discount Received		0.00		411.00
4-5000	Profit on sale of asset		0.00		40.00
4-5005	Other Income		0.00		254.55
4-5006	Interest Income		0.00		39.80
5-1400	Cost of Sales Tents	3,089.60		44,139.60	
5-1500	Cost of Sales Sleeping Equipment	0.00		10,033.64	
5-1600	Cost of Sales Kitchen Equipment	0.00		28,920.00	
5-1700	Cost of Sales Other	0.00		31,460.00	
5-2000	Freight Costs	0.00		750.00	
5-2130	Direct Labour	3,460.32		3,460.32	
5-2380	Subcontractors	1,670.00		1,670.00	
5-3000	Discount Allowed	0.00		325.91	
6-1110	Accounting & Bookkeeping	0.00		900.00	
6-1120	Advertising & Marketing	0.00		4,500.00	
6-1150	Bad Debts	0.00			130.00
6-1160	Bank Fees & Charges	0.00		210.00	
6-1250	Depreciation Expenses	0.00		3,968.89	
6-1300	Electricity Expenses	0.00		1,775.00	
6-1500	Insurance Expenses	0.00		4,896.00	
6-1700	Motor Vehicle Expenses		89.60	4,110.40	
6-4100	Payroll - Wages & Salaries	11,487.06		72,558.06	
6-4200	Payroll - Superannuation	1,650.17		7,453.15	
6-4280	Postage & Stationery	0.00		633.45	
6-4300	Rent Expense	0.00		33,500.00	
6-4320	Repairs & Maintenance	0.00		1,160.00	
6-4400	Staff Amenities	0.00		245.41	
6-4460	Telephone & Internet	0.00		2,920.00	
<b>Grand total</b>		<b>34,379.65</b>	<b>34,379.65</b>	<b>385,784.04</b>	<b>385,784.04</b>

FIGURE 8.17 – Trial Balance

## REVISION EXERCISE 1

This is a sole practitioner accounting practice where the owner uses job costing as a method to record time spent on accounting work for customers.

You are required to:

- Create a new MYOB data file.
- Make changes to the Chart of accounts (add, edit & delete).
- Enter opening General Ledger balances.
- Setup customer and supplier cards and enter opening balances.
- Set up employee cards and jobs.
- Use the timesheets to pay employees and allocate time to jobs.
- Prepare invoices.
- Print or display reports for the period.

### Create a new data file

Business name:	<b>Hills Accountants</b>
ABN:	<b>66 777 333 666</b>
Registered for GST:	<b>Yes (Reports quarterly)</b>
Industry:	<b>Accounting and tax services</b>
Address:	<b>40 Jarrah Road Roleystone WA 6111</b>
Phone:	<b>9397 5550</b>
Current financial year:	<b>202_</b>
Opening balance date:	<b>July</b>

### Enter Opening Balances

Hills Accountants 40 Jarrah Road Roleystone WA 6111 9397 5550			
<b>Trial balance report</b>			
jun 2022			
Account no	Account name	Debit (\$)	Credit (\$)
1-1110	Business Bank Account	33,900.00	
1-1200	Accounts Receivable	3,300.00	
1-2110	Office Equipment At cost	46,700.00	
1-2111	Accum. Depr. Office Equipment		15,600.00
2-1140	Accounts Payable		550.00
3-1000	Owner's Capital		67,750.00
<b>Grand total</b>		<b>83,900.00</b>	<b>83,900.00</b>

FIGURE 8.18 – Opening balances

### Set Up Customer Cards

Name	Roleystone News	Action Plumbing	Hills Courier Services
Address	21 Jarrah Road Roleystone WA 6111	30 Soldiers Road Roleystone WA 6111	8 Taree Place Roleystone WA 6111
Phone	9397 7788	9397 4455	9397 6677
Terms	Net 14 days	Net 14 days	Net 14 days
Invoice No.	3001	3002	
Date	21/06/202_	26/06/202_	
Total Including GST	\$1,100.00	\$2,200.00	

TABLE 8.6 – Customer cards

## Set Up Supplier Cards

<i>Individual Name</i>	Glenda Jackson	MYOB Australia
<i>Address</i>	15 Davis Road Kelmescott WA 6111	GPO Box 1170 Sydney NSW 2001
<i>ABN</i>	56 206 532 802	32 119 320 007
<i>Expense account</i>	6-1110 Accounting & Bookkeeping	6-4440 Subscriptions & Memberships
<i>Terms</i>	Net 10 days	Net 30 days
<i>Invoice No.</i>		11176
<i>Date</i>		18/06/202_
<i>Total Including GST</i>		\$550.00

**TABLE 8.7 – Supplier card**

## Set up Employee Cards

Refer to the payroll chapter for the general payroll setup. No rounding down of cents.

<i>Name</i>	<b>Martin Jones</b>	<b>Damian Lambert</b>	<b>Anna Robinson</b>
<i>Address</i>	40 Bower Drive Roleystone WA 6111	30 Amber Street Bedforddale WA 6112	40 Orchard Ave Armadale WA 6112
<i>Date of birth</i>	17/3/1974	18/5/1986	21/7/1998
<i>Start date</i>	1/7/2014	15/3/2018	8/4/2020
<i>Employment Classification</i>	Accountant	Accountant	Secretary
<i>Pay basis</i>	Hourly	Hourly	Hourly
<i>Hourly rate</i>	\$40.00	\$35.50	\$27.00
<i>Pay frequency</i>	Weekly	Weekly	Weekly
<i>Superannuation fund</i>	Spectrum Super	Spectrum Super	Spectrum Super
<i>Tax file number</i>	601 320 595	127 367 355	345 621 990

**TABLE 8.8 – Employee general and time billing information**

The following apply to all employees:

- They are individuals, permanent, and full time.
- Default pay slip delivery – To be printed.
- Wages categories – annual leave loading, annual leave pay, base hourly, overtime (1.5x), overtime (2x), personal leave pay.
- Superannuation guarantee
- Tax free threshold
- You are not required to edit the pay items (Superannuation guarantee rate is 10.5% in the reports shown for this exercise. This may vary depending on the year you use.)

<b>Leave Category</b>	<b>Martin Jones</b>	<b>Damian Lambert</b>	<b>Anna Robinson</b>
<i>Annual Leave Full time hourly Carry Over</i>	156 hours	40 hours	22.8 hours
<i>Personal Leave Full time hourly Carry Over</i>	275 hours	76 hours	114 hours

**TABLE 8.9 – Employee entitlements**

## Set up Jobs

<i>Job Number</i>	110	111	112
<i>Job Name</i>	Roley News	Action Plumb	Hills Courier
<i>Job Description</i>	Preparation of financial reports and tax return for the year	Preparation of financial reports and tax return for the year	Preparation of financial reports and tax return for the year
<i>Linked Customer</i>	Roleystone News	Action Plumbing	Hills Courier Services

**TABLE 8.10 – Jobs**

## Suppliers' bills

- 5/07/202\_ Record invoice no. 7733 for \$770.00 including GST received from Avery Solicitors (ABN 34 970 235 633) for legal advice (6-1600 Legal Fees) on a matter for Action Plumbing.
- 7/07/202\_ Received the invoice below from Glenda Jackson a subcontract bookkeeper (6-1110 Accounting & Bookkeeping).

<b>Glenda Jackson</b>		ABN 56 206 532 802
15 Davis Road		7/07/202_
Kelmescott WA 6111		Invoice No. 1210
4/07/202_	5 hours bookkeeping @ \$80 for Action Plumbing	400.00
5/07/202_	8 hours bookkeeping @ \$80 for Roleystone News	640.00
6/07/202_	3 hours bookkeeping @ \$80 for Hills Courier Services	240.00
	Subtotal	1,280.00
	GST	128.00
	Total	\$1,408.00

**FIGURE 8.19 – Supplier invoice**

If you cannot remember the job number, start typing the name and the job will display on the menu.

## Timesheets

Some of the non-chargeable hours in this exercise are because the employee was sick (personal leave) or on annual leave. Instructions on entering jobs while preparing pays are on the next page.

Employee Name	Date	Customer	Activity	Hours	Job#
Martin Jones	1/07/202_	Roleystone News	Tax	6.0	110
	1/07/202_		Non charge	1.6	
	4/07/202_	Roleystone News	Tax	6.6	110
	4/07/202_		Non charge	1.0	
	5/07/202_	Action Plumbing	Consult	4.3	111
	5/07/202_		Non charge	3.3	
	6/07/202_	Action Plumbing	Consult	1.5	111
	6/07/202_		Non charge	6.1	
	7/07/202_	Action Plumbing	Financial	6.6	111
	7/07/202_		Non charge	1.0	

**TABLE 8.11 – Timesheet for Martin Jones**

Employee Name	Date	Customer	Activity	Hours	Job#
Damian Lambert	1/07/202_	Action Plumbing	Financial	7.0	111
	1/07/202_		Non charge	1.6	
	4/07/202_	Hills Courier Services	Tax	5.9	112
	4/07/202_		Non charge	1.7	
	5/07/202_	Hills Courier Services	Tax	5.0	112
	5/07/202_		Non charge	2.6	
	6/07/202_	Hills Courier Services	Tax	3.8	112
	6/07/202_		Non charge (Sick)	3.8	
	7/07/202_	Hills Courier Services	Consult	5.0	112
	7/07/202_		Non charge	2.6	

**TABLE 8.12 – Timesheet for Damian Lambert**

Employee Name	Date	Customer	Activity	Hours	Job#
Anna Robinson	1/07/202_	Roleystone News	Sec	5.0	110
	1/07/202_		Non charge	2.6	
	4/07/202_	Roleystone News	Sec	2.0	110
	4/07/202_		Non charge	5.6	
	5/07/202_		Non charge (Annual Leave)	7.6	
	6/07/202_		Non charge (Annual Leave)	7.6	
	7/07/202_	Hills Courier Services	Sec	4.0	112
	7/07/202_	Action Plumbing	Sec	1.0	111
	7/07/202_		Non charge	2.6	

**TABLE 8.13 – Timesheet for Anna Robinson**

### Create pay run

Click **Create pay run** on the payroll menu.

Pay cycle: **Weekly**  
 Pay period start: **1/07/202\_**  
 Pay period end: **7/07/202\_**  
 Date of payment: **8/07/202\_**

Martin Jones has worked a normal 38-hour week and his base hourly amount is \$1,520.00. To allocate portion of this amount against specific jobs, click **Add job** and the window shown in figure 8.20 will appear.

The screenshot shows a window titled "Add job" with a search bar and a list of jobs. Each job has a checkbox, a name, and an "Amount (\$)" input field. The jobs listed are 110 (Roleystone News), 111 (Action Plumbing), and 112 (Hills Courier). At the bottom, there is a summary of allocated and unallocated amounts, and "Cancel" and "Add" buttons.

Job	Amount (\$)
<input type="checkbox"/> 110 Roleystone News	0.00
<input type="checkbox"/> 111 Action Plumbing	0.00
<input type="checkbox"/> 112 Hills Courier	0.00

Total allocated: 0.00 (0.00%)  
 Unallocated: 1,520.00 (100.00%)

**FIGURE 8.20 – Add job**

Martin has spent 12.6 hours on job #110 (12.6 x \$40.00 his hourly rate = \$504.00) and 12.4 hours on job# 111 (12.4 x \$40.00 = \$496.00). Allocate those amounts against those jobs as shown in figure 8.21.

**Add job** ✕

	Job		Amount (\$)
<input checked="" type="checkbox"/>	110	Roley News	<input type="text" value="504.00"/>
<input checked="" type="checkbox"/>	111	Action Plumb	<input type="text" value="496.00"/>
<input type="checkbox"/>	112	Hills Courier	<input type="text" value="0.00"/>

**Total allocated** 1,000.00 (65.79%)  
**Unallocated** 520.00 (34.21%)

**FIGURE 8.21 – Amounts allocated to jobs**

Click [Add] and back at the pay run window the wages for Martin Jones should look the same as figure 8.22.

Martin Jones
1,520.00
342.00
0.00
1,178.00
159.60

Pay items	Rate (\$)	Hours	Amount (\$)	Job
<b>Wages</b>				
Base Hourly	40.00	<input type="text" value="38.00"/>	<input type="text" value="1,520.00"/>	👤 2 jobs selected
Annual Leave Loading	7.00	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	➕ Add job
Annual Leave Pay	40.00	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	➕ Add job
Overtime (1.5x)	60.00	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	➕ Add job
Overtime (2x)	80.00	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	➕ Add job
Personal Leave Pay	40.00	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	➕ Add job
➕ Add wage				
<b>Taxes</b>				
PWG Withholding			<input type="text" value="342.00"/>	➕ Add job
<b>Leave accrual</b>				
Annual leave Full time hourly		<input type="text" value="2.923"/>		
Personal leave Full time hourly		<input type="text" value="1.862"/>		
➕ Add leave accrual				
<b>Employer expenses</b>				
Superannuation Guarantee			<input type="text" value="159.60"/>	➕ Add job
➕ Add an expense				

**FIGURE 8.22 – Pay run with jobs added**

Now edit the pays for the other two employees to add jobs to their base hourly line and remember to watch out for any overtime, personal leave, or annual leave.

### Prepare Invoices

Check the job profit and loss report and add 100% to the expense figure, rounding it up to the nearest \$10, e.g., \$2,666 would be invoiced to the customer as \$2,670 plus GST.

The expenses for Action Plumbing included legal fees of \$700 (excluding GST). Deduct this amount from the total expense figure before adding the 100%. Show the legal fee on a separate line the invoice and charge the customer \$750.

Prepare invoices dated **8/07/202\_** for all customers, allocating the income to account **4-1400 Accounting Income**.

### Reports

Print or display the following reports for July:

- Unpaid invoices
- Unpaid bills
- Jobs profit and loss
- Payroll activity
- Accounts – Trial Balance

Hills Accountants 40 Jarrah Road Roleystone WA 6111 9397 5550						
<b>Unpaid invoices report</b> 31 Jul 2022						
Customer name	Customer number	0 - 30	31 - 60	61 - 90	90+	Total due (\$)
Action Plumbing	*None	3,410.00	2,200.00	0.00	0.00	5,610.00
Hills Courier Services	*None	2,310.00	0.00	0.00	0.00	2,310.00
Roleystone News	*None	2,937.00	1,100.00	0.00	0.00	4,037.00
<b>Grand total</b>		<b>8,657.00</b>	<b>3,300.00</b>	<b>0.00</b>	<b>0.00</b>	<b>11,957.00</b>

FIGURE 8.23 – Unpaid invoices

Hills Accountants 40 Jarrah Road Roleystone WA 6111 9397 5550						
<b>Unpaid bills report</b> 31 Jul 2022						
Supplier name	Supplier number	0 - 30	31 - 60	61 - 90	90+	Total due (\$)
Avery Solicitors	*None	770.00	0.00	0.00	0.00	770.00
Glenda Jackson	*None	1,408.00	0.00	0.00	0.00	1,408.00
MYOB Australia	*None	0.00	550.00	0.00	0.00	550.00
<b>Grand total</b>		<b>2,178.00</b>	<b>550.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,728.00</b>

FIGURE 8.24 – Unpaid bills

### Job profit and loss report

01 Jul 2022 - 31 Jul 2022

Job number	Job name	Income (\$)	Cost (\$)	Expense (\$)	Net profit (\$)
110	Roley News	2,670.00	0.00	1,333.00	1,337.00
111	Action Plumb	3,100.00	0.00	1,871.50	1,228.50
112	Hills Courier	2,100.00	0.00	1,047.35	1,052.65

FIGURE 8.25 – Job profit and loss

### Payroll activity report

01 Jul 2022 - 31 Jul 2022

Employee name	Salary and wages (\$)	Deductions (\$)	Taxes (\$)	Net pay (\$)	Expenses (\$)	Leave (hrs)
Anna Robinson	1,097.82	0.00	196.00	901.82	107.73	4.38
Damian Lambert	1,402.25	0.00	301.00	1,101.25	141.65	4.38
Martin Jones	1,520.00	0.00	342.00	1,178.00	159.60	4.38
<b>Grand total</b>	<b>4,020.07</b>	<b>0.00</b>	<b>839.00</b>	<b>3,181.07</b>	<b>408.98</b>	<b>13.14</b>

FIGURE 8.26 – Payroll activity

### Trial balance report

Jul 2022

Account no	Account name	Debit (\$)	Credit (\$)	YTD Debit (\$)	YTD Credit (\$)
1-1110	Business Bank Account		3,181.07	30,718.93	
1-1200	Accounts Receivable	8,657.00		11,957.00	
1-2110	Office Equipment At cost	0.00		46,700.00	
1-2111	Accum. Depr. Office Equipment	0.00			15,600.00
2-1140	Accounts Payable		2,178.00		2,728.00
2-1212	GST		589.00		589.00
2-1350	PAYG Withholding Payable		1,247.98		1,247.98
3-1000	Owner's Capital		0.00		67,750.00
4-1400	Accounting Income		7,870.00		7,870.00
6-1110	Accounting & Bookkeeping	1,280.00		1,280.00	
6-1600	Legal Fees	700.00		700.00	
6-4100	Payroll - Wages & Salaries	4,020.07		4,020.07	
6-4200	Payroll - Superannuation	408.98		408.98	
<b>Grand total</b>		<b>15,066.05</b>	<b>15,066.05</b>	<b>95,784.98</b>	<b>95,784.98</b>

FIGURE 8.27 – Trial Balance

## REVISION EXERCISE 2

The partners in this legal practice use job costing within payroll to record time spent on legal work for customers. Employees prepare timesheets and the data from those is used to prepare invoices for customers and the payroll for employees.

You are required to:

- Create a new MYOB data file.
- Make changes to the Chart of accounts (add, edit & delete).
- Enter opening General Ledger balances.
- Setup customer cards and enter opening balances.
- Set up payroll and employee cards.
- Prepare the payroll for the period including job costing.
- Prepare invoices for completed jobs.
- Print or display reports for the period.

### Create a new data file

Business name: **Hancock & Associates**  
 ABN: **38 008 753 606**  
 Address: **91 Hannan Street**  
**Kalgoorlie WA 6430**  
 Phone: **9191 7095**  
 Current financial year: **202\_**  
 Opening balance date: **September**  
 Industry: **Professional services**

### Enter opening balances

Hancock & Associates 91 Hannan Street Kalgoorlie WA 6430 9191 7095			
<b>Trial balance report</b>			
Aug 2022			
Account no	Account name	Debit (\$)	Credit (\$)
1-1110	Business Bank Account	49,720.00	
1-2110	Office Equipment at cost	56,700.00	
1-2120	Accum. Depr. Office Equipment		28,200.00
2-1212	GST Balance		3,380.00
2-1350	PAYG Withholding Payable		7,109.00
2-1355	Superannuation Payable		1,801.00
2-1360	Private Health Fund Payable		780.00
2-1361	Union Fees Payable		80.00
3-1000	Share Capital		100.00
3-8000	Retained Earnings		55,138.00
4-1300	Professional Fees		57,800.00
6-4100	Payroll - Wages & Salaries	38,885.00	
6-4200	Superannuation	4,083.00	
6-4310	Rent	5,000.00	
<b>Grand total</b>		<b>154,388.00</b>	<b>154,388.00</b>

FIGURE 8.28 – Opening balances

## Customers

<i>Business name</i>	Bronzewing Mining NL	Hackett Nickel NL	Management Placements
<i>Address</i>	PO Box 330 Kalgoorlie WA 6433	PO Box 787 Kambalda WA 6442	15 Hannan Street Kalgoorlie WA 6430
<i>Phone</i>	9191 6778	9195 4790	9191 2256
<i>Terms</i>	Net 14	Net 14	Net 14

**TABLE 8.14 – Customer cards**

## Payroll Information

Full Work Week Hours:	<b>38</b> (5 days per week, 7.6 hours per day)
Default Superannuation Fund:	<b>Legal Super</b>
Round Net Pay Down to:	<b>5 cents</b>
New Wage Category:	<b>Mileage Allowance</b> - Allowance – cents per km.
Superannuation:	<b>10.5%</b> Superannuation Guarantee - Print on Pay Advice. Exempt additional wage category - Mileage Allowance. Change linked payable account. Threshold \$0.00.
Leave:	Annual leave Full time hourly & Personal leave Full time hourly: Show on pay slips.
New Deduction Category:	<b>Private Health Fund</b> User-Entered Amount per Pay Period. Change linked payables account. Not Reportable.
Deduction:	Change linked payables account for union fees. Deduction – Union/Professional Assoc Fees.

## Employees

All employees are individuals, permanent and full time, and are paid by cheque. They are paid weekly on an hourly basis. They are all members of the default superannuation fund and use the tax-free threshold tax scale. Mileage allowance is paid at a rate 70c per kilometre.

<i>Name</i>	<b>Hancock, Greg</b>	<b>Winner, Jonathon</b>	<b>Brown, Grace</b>
<i>Address</i>	81 Hannan Street Kalgoorlie WA 6430	152 Bourke Street Kalgoorlie WA 6430	62 Maxwell Street Boulder WA 6432
<i>Phone</i>	9191 7110	9191 1179	9193 8166
<i>Date of Birth</i>	7/02/1967	19/01/1976	11/10/1995
<i>Start Dat:</i>	1/07/2001	1/07/2001	3/08/2017
<i>Hourly Rate</i>	\$40	\$40	\$29.80
<i>TFN</i>	683 119 110	625 188 369	275 166 083
<i>Private Health Fund</i>	\$80 per week	\$76 per week	
<i>Union Fees</i>			\$9 per week

**TABLE 8.15 – Employee general information**

## Employee Payroll Categories & History

<i>Category</i>	<b>Type</b>	<b>Greg Hancock</b>	<b>Jonathon Winner</b>	<b>Grace Brown</b>
<i>Base Hourly</i>	Wages	\$13,680.00	\$13,680.00	\$6,019.20
<i>Annual Leave Loading</i>	Wages	✓	✓	\$131.67
<i>Annual Leave Pa:</i>	Wages	✓	✓	\$752.40
<i>Overtime (1.5x)</i>	Wages	\$1 200.00	\$1,200.00	\$49.50
<i>Overtime (2x)</i>	Wages	\$720.00	✓	✓
<i>Mileage Allowance</i>	Wages	\$792.00	\$660.00	✓
<i>Personal Leave Pay</i>	Wages	✓	✓	✓

**TABLE 8.16 – Employee wages information**

Category	Type	Greg Hancock	Jonathon Winner	Grace Brown
Private Health Fund	Deductions	\$720.00	\$684.00	N/A
Union Fees	Deductions	N/A	N/A	\$81.00
PAYG Withholding	Taxes	\$3,114.00	\$2,952.00	\$1,043.00
Annual Leave Accrual - Balance adjustment - Year-to date	Leave	290 26.307	212 26.307	91 26.307
Personal Leave Accrual - Balance adjustment - Year-to date	Leave	86.88 13.153	161.72 13.153	41.385 13.153
Superannuation Guarantee	Superannuation	\$1,436.40	\$1,436.40	\$711.00

**TABLE 8.17 – Other employee information**

### Jobs

Job Number	1	2	3	4	5
Job Name	Hack v Client	Bronze Comp.	Mgmt. Adv.	Aztec Adv.	Hack Adv.
Job Description	Preparation and court appearance in defence of claim made by customer.	Preparation and court appearance pursuing compensation.	Consultation and provision of legal advice.	Consultation and provision of legal advice.	Consultation and provision of legal advice.
Linked Customer	Hackett Nickel NL	Bronzewing Mining NL	Management Placements	Aztec Mining Supplies	Hackett Nickel NL

**TABLE 8.18 – Jobs**

### Time sheets for the week ending 8/09/202\_ (Pay Date 9/09/2\_):

Times given are in the decimal equivalent of hours and minutes. Daily figures are provided to assist you to determine if overtime applies. Read the timesheet information carefully.

Tables 8.22 and 8.23 have been provided to help you work out the hours you need to enter in payroll for each employee and on each job.

Greg Hancock					
Date	Customer	Job	Activity	Hours	Daily/Km
2/09/2_	Hackett Nickel NL	1	Consulting	4.0	
			Non chargeable	3.6	7.6
3/09/2_	Hackett Nickel NL	1	Consulting	3.6	3.6
	Hackett Nickel NL	1	Mileage		210km
5/09/2_	Hackett Nickel NL	1	Court Appearance	5.0	
			Non chargeable	2.6	7.6
6/09/2_	Hackett Nickel NL	1	Court Appearance	9.6	
			Non chargeable	0.4	10
7/09/2_	Management Placements	3	Consulting	3.5	
	Aztec Mining Supplies *	4	Consulting	2.0	
			Non chargeable	2.1	7.6
8/09/2_	Hackett Nickel NL	5	Consulting	5.6	
			Non chargeable	2.0	7.6

\* 57 Coolgardie Road, Kalgoorlie WA 6430. September 3 is a Saturday.

**TABLE 8.19 – Timesheet for Greg Hancock**

Jonathon Winner					
Date	Customer	Job	Activity	Hours	Daily/Km
2/09/2_			Non chargeable ( <b>Annual Leave</b> )	7.6	7.6
5/09/2_	Bronzewing Mining NL	2	Consulting	4.0	
			Non chargeable	3.6	7.6
	Bronzewing Mining NL	2	Mileage		130km
6/09/2_	Bronzewing Mining NL	2	Consulting	4.3	
	Bronzewing Mining NL	2	Court Appearance	3.6	
			Non chargeable	3.7	11.6
7/09/2_	Bronzewing Mining NL	2	Court Appearance	5.0	
	Bronzewing Mining NL	2	Consulting	1.6	
			Non chargeable	1.0	7.6
8/09/2_	Management Placements	3	Consulting	3.6	
			Non chargeable	4.0	7.6

**TABLE 8.20 – Timesheet for Jonathon Winner**

Grace Brown					
Date	Customer	Job	Activity	Hours	Daily/Km
2/09/2_			Non chargeable	7.6	7.6
5/09/2_			Non chargeable ( <b>Sick</b> )	7.6	7.6
6/09/2_			Non chargeable	7.6	7.6
7/09/2_	Bronzewing Mining NL	1	Sec	1.0	
	Management Placements	3	Sec	1.0	
	Hackett Nickel NL	2	Sec	1.0	
	Hackett Nickel NL	2	Mileage		30km
			Non chargeable	4.6	7.6
8/09/2_	Management Placements	3	Sec	2.5	
	Aztec Mining Supplies	4	Sec	1.1	
			Non chargeable	4.0	7.6

**TABLE 8.21 – Timesheet for Grace Brown**

**Prepare pay cheques**

**9/09/2\_ Prepare the pay cheques for all employees for the period 2/09/2\_ to 8/09/2\_. Pay date is 9/09/202.**

If the daily figure is greater than 7.6, then overtime will be payable. If the figure is greater than 10.6 then the first 3 hours are payable at time and a half (1.5x) and the remainder at double-time (2x). Any work done on Saturday or Sunday is paid at 2x. Leave loading is payable on annual leave pay.

Employee	Base Hourly	Overtime 1.5x	Overtime 2x	Personal Leave	Annual Leave Pay	Leave Loading	Mileage
Greg Hancock							
Jonathon Winner							
Grace Brown							

**TABLE 8.22 – Payroll worksheet**

Job	Employee	Base Hourly	Overtime 1.5x	Overtime 2x	Mileage
1	Greg Hancock				
	Jonathon Winner				
	Grace Brown				
2	Greg Hancock				
	Jonathon Winner				
	Grace Brown				
3	Greg Hancock				
	Jonathon Winner				
	Grace Brown				
4	Greg Hancock				
	Jonathon Winner				
	Grace Brown				
5	Greg Hancock				
	Jonathon Winner				
	Grace Brown				

**TABLE 8.23 – Payroll/Job worksheet**

Allocate base hourly to jobs by multiplying the number of hours by the employee hourly rate e.g., Grace Brown spent 1 hour on job #1 = 1 x \$29.80.

Total net pays for the week are \$3,773.60.

**Prepare invoices**

- 9/09/2022\_ Create invoices for clients as follows:
- Hackett Nickel NL – Job #1 - \$3,000 + GST.
  - Bronzewing Mining NL – Job #2 - \$2,000 + GST.
  - Management Placements – Job #3 - \$1,000 + GST.

**Reports:**

Print or display the following reports for the period 1/09/22\_ to 9/09/22\_.

- Payroll - Activity summary
- Payroll – Pay run history for Jonathon Winner
- Jobs – Job profit and loss
- Jobs – Job profit and loss comparison
- Jobs – Job activity
- Accounts – Trial Balance (September 2022\_)

Hancock & Associates 91 Hannan Street Kalgoorlie WA 6430 9191 7095						
<b>Payroll activity report</b>						
01 Sep 2022 - 09 Sep 2022						
Employee name	Salary and wages (\$)	Deductions (\$)	Taxes (\$)	Net pay (\$)	Expenses (\$)	Leave (hrs)
Grace Brown	1,153.40	9.00	215.00	929.40	118.90	4.38
Greg Hancock	2,099.00	80.00	542.00	1,477.00	159.60	4.38
Jonathon Winner	1,924.20	76.00	481.00	1,367.20	159.60	4.38
<b>Grand total</b>	<b>5,176.60</b>	<b>165.00</b>	<b>1,238.00</b>	<b>3,773.60</b>	<b>438.10</b>	<b>13.14</b>

**FIGURE 8.29 – Payroll activity**

**Pay run history report**  
01 Sep 2022 - 09 Sep 2022

Employee name	Card ID	Gross pay (\$)	PAYG (\$)	Deductions (\$)	Net pay (\$)	Superannuation (\$)	
Jonathon Winner	*Name	1,934.30	(481.00)	(76.00)	1,367.30	159.00	
Pay cycle	Notes	Superannuation fund		Annual salary(\$)	Hourly rate (\$)		
Weekly		LEGAL SUPER		75,040.00	40.00		
Pay period: 03/09/2022 - 09/09/2022							
Cheque No.	Date of payment	Description	Type	Hours	Calc. rate (\$)	Amount (\$)	YTD
3	09/09/2022	Mileage Allowance	Salary and wages		0.00	91.00	751.00
3	09/09/2022	Annual Leave Loading	Salary and wages	7.60	7.00	53.20	53.20
3	09/09/2022	Annual Leave Pay	Salary and wages	7.60	40.00	304.00	304.00
3	09/09/2022	Overtime (1.5x)	Salary and wages	3.00	60.00	180.00	1,380.00
3	09/09/2022	Overtime (2x)	Salary and wages	1.00	80.00	80.00	80.00
3	09/09/2022	Base Hourly	Salary and wages	30.40	40.00	1,216.00	14,896.00
3	09/09/2022	Private Health Fund	Deductions		0.00	(76.00)	(76.00)
3	09/09/2022	Annual leave Fulltime hourly	Leave	2.92			233.63
3	09/09/2022	Personal leave Full time hourly	Leave	1.46			176.34
3	09/09/2022	PAYG Withholding	Tax		0.00	(481.00)	(3,433.00)
3	09/09/2022	Superannuation Guarantee	Superannuation Expenses		0.00	159.00	1,596.00
<b>Gross Pay</b>						<b>1,934.30</b>	
<b>Net Pay</b>						<b>1,367.30</b>	
<b>Grand total</b>		<b>1,934.30</b>	<b>(481.00)</b>	<b>(76.00)</b>		<b>1,367.30</b>	<b>159.00</b>

FIGURE 8.30 – Pay run history for Jonathon Winner

**Job profit and loss report**  
01 Sep 2022 - 09 Sep 2022

Job number	Job name	Income (\$)	Cost (\$)	Expense (\$)	Net profit (\$)
1	Hack v Client	3,000.00	0.00	1,256.80	1,743.20
2	Bronze Comp..	2,000.00	0.00	981.80	1,018.20
3	Mgmt. Adv.	1,000.00	0.00	452.30	547.70
4	Aztec Adv.	0.00	0.00	80.00	-80.00
5	Hack Adv.	0.00	0.00	448.00	-448.00

FIGURE 8.31 – Job profit and loss

**Job profit and loss comparison report**  
Accrual mode  
01 Sep 2022 - 09 Sep 2022

	Total					Total
	1 - Hack v Client	2 - Bronze Comp..	3 - Mgmt. Adv.	4 - Aztec Adv.	5 - Hack Adv.	
<b>4-0000 Income</b>						
4-1300 Professional Fees	3,000.00	2,000.00	1,000.00	0.00	0.00	6,000.00
<b>Total Income</b>	<b>3,000.00</b>	<b>2,000.00</b>	<b>1,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6,000.00</b>
<b>Gross Profit</b>	<b>3,000.00</b>	<b>2,000.00</b>	<b>1,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6,000.00</b>
<b>6-0000 Expenses</b>						
<b>6-4000 Payroll Expenses</b>						
6-4100 Payroll - Wages & Salaries	1,256.80	981.80	452.30	80.00	448.00	3,218.90
<b>Total Payroll Expenses</b>	<b>1,256.80</b>	<b>981.80</b>	<b>452.30</b>	<b>80.00</b>	<b>448.00</b>	<b>3,218.90</b>
<b>Total Expenses</b>	<b>1,256.80</b>	<b>981.80</b>	<b>452.30</b>	<b>80.00</b>	<b>448.00</b>	<b>3,218.90</b>
<b>Operating Profit</b>	<b>1,743.20</b>	<b>1,018.20</b>	<b>547.70</b>	<b>(80.00)</b>	<b>(448.00)</b>	<b>2,781.10</b>
<b>Net Profit</b>	<b>1,743.20</b>	<b>1,018.20</b>	<b>547.70</b>	<b>(80.00)</b>	<b>(448.00)</b>	<b>2,781.10</b>

FIGURE 8.32 – Job profit and loss comparison

**Job activity report**  
01 Sep 2022 - 09 Sep 2022

Account number	Account name		Debit (\$)	Credit (\$)			
4-1300	Professional Fees		0.00	4,000.00			
6-4100	Payroll - Wages & Salaries		3,218.90	0.00			
Job number	Job name	ID number	Type	Date	Memo	Debit (\$)	Credit (\$)
1	Hack v Client	1	Spend money	09/09/2022	Pay employee; Grace Brown	29.00	
1	Hack v Client	2	Spend money	09/09/2022	Pay employee; Greg Hancock	1,227.00	
<b>Total</b>						<b>1,256.00</b>	<b>0.00</b>
Job number	Job name	ID number	Type	Date	Memo	Debit (\$)	Credit (\$)
2	Bronze Comp.	1	Spend money	09/09/2022	Pay employee; Grace Brown	50.00	
2	Bronze Comp.	3	Spend money	09/09/2022	Pay employee; Jonathon Winner	91.00	
<b>Total</b>						<b>141.00</b>	<b>0.00</b>
Job number	Job name	ID number	Type	Date	Memo	Debit (\$)	Credit (\$)
3	Mgmt. Adv.	1	Spend money	09/09/2022	Pay employee; Grace Brown	104.00	
3	Mgmt. Adv.	2	Spend money	09/09/2022	Pay employee; Greg Hancock	304.00	
3	Mgmt. Adv.	3	Spend money	09/09/2022	Pay employee; Jonathon Winner	144.00	
<b>Total</b>						<b>552.00</b>	<b>0.00</b>
Job number	Job name	ID number	Type	Date	Memo	Debit (\$)	Credit (\$)
4	Aster Adv.	2	Spend money	09/09/2022	Pay employee; Greg Hancock	80.00	
<b>Total</b>						<b>80.00</b>	<b>0.00</b>
Job number	Job name	ID number	Type	Date	Memo	Debit (\$)	Credit (\$)
5	Hack Adv.	2	Spend money	09/09/2022	Pay employee; Greg Hancock	224.00	
5	Hack Adv.	3	Spend money	09/09/2022	Pay employee; Jonathon Winner	224.00	
<b>Total</b>						<b>448.00</b>	<b>0.00</b>
<b>Grand total</b>						<b>3,218.90</b>	<b>6,000.00</b>

FIGURE 8.33 – Job activity

**Trial balance report**

Sep 2022

Account no	Account name	Debit (\$)	Credit (\$)	YTD Debit (\$)	YTD Credit (\$)
1-1110	Business Bank Account		3,773.60	45,946.40	
1-1200	Accounts Receivable	6,600.00		6,600.00	
1-2110	Office Equipment at cost	0.00		56,700.00	
1-2120	Accum. Depr. Office Equipment	0.00			28,200.00
2-1212	GST Balance		600.00		3,980.00
2-1350	PAYG Withholding Payable		1,238.00		8,347.00
2-1355	Superannuation Payable		438.10		2,239.10
2-1360	Private Health Fund Payable		156.00		936.00
2-1361	Union Fees Payable		9.00		89.00
3-1000	Share Capital		0.00		100.00
3-8000	Retained Earnings		0.00		55,138.00
4-1300	Professional Fees		6,000.00		63,800.00
6-4100	Payroll - Wages & Salaries	5,176.60		44,061.60	
6-4200	Superannuation	438.10		4,521.10	
6-4310	Rent	0.00		5,000.00	
<b>Grand total</b>		<b>12,214.70</b>	<b>12,214.70</b>	<b>162,829.10</b>	<b>162,829.10</b>

FIGURE 8.34 – Trial Balance

## CHAPTER 9 - INVENTORY

In earlier chapters you bought and sold items but did not maintain a record of items on hand at any given time. The Inventory menu handles all transactions that involve the sale or purchase of items, or adjustments required to write off missing or damaged items. It is here that you enter the opening quantities and values of items and define the selling prices for those items.

MYOB uses a perpetual inventory system and average cost. This means that when inventoried items are purchased, they are posted to the inventory control account in the general ledger, and when a sale is recorded, MYOB moves the average unit cost of the item sold, from the inventory control account to the cost of goods sold account. A manual accounting system that uses special journals and subsidiary ledgers can also use a perpetual inventory system.

Most small businesses, who do not maintain inventory records, use what is called a periodic inventory system with beginning and end of year inventory figures, usually determined by a physical stocktake. This business has used that system up to now. With the periodic system all purchases of goods are posted to the purchases, or cost of sales account, and opening and closing inventory balances are used to determine the cost of sales for a given period. In previous chapters the financial statements have not been adjusted to reflect the value of inventory on hand at the end of May.

Most computerised systems use the average cost method, but manual systems may be based on either average cost or FIFO (first-in, first-out). The use of LIFO (last-in, first-out) is not permitted in Australia, and the Specific Identification method is generally not suited to retail businesses.

### Set Up Inventory Items

There are already a number of inventory items in Carry On Camping that use a 5-digit alphanumeric code. These were set up in earlier chapters. MYOB will not allow us to change from buy/sell to the buy/sell/inventory that is required for a perpetual inventory system because there are existing sales and purchases in the data file. For this reason, new items will be set up using a 6-digit alphanumeric code to avoid confusion.

Tables 9.1 and 9.2 contain the existing inventory items and a new one. Some of the items include a description so that you can see the advantage of including this information on the inventory cards. The procedure demonstrated is intended to refresh and extend your knowledge on how to set up inventory.

<i>Name</i>	Single Airbed	Sleeping Bag	Fridge-Freezer	Smartwatch
<i>Description</i>	Durable single airbed, inflates rapidly	Black Wolf Campsite sleeping bag	Engel Eclipse Fridge-Freezer	Garmin Fenix 6 Smartwatch
<i>Item ID</i>	AIRBDS	BKWCSB	ENFF38	GMFEN6
<i>I Buy/I Sell/I Inventory</i>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
<i>Asset account for tracking inventory</i>	1-1300	1-1300	1-1300	1-1300
<i>Selling price (excluding GST)</i>	\$50	\$130	\$970	\$990
<i>Buying/selling unit of measure</i>	Each	Each	Each	Each
<i>Items per unit</i>	1	1	1	1
<i>Income account for tracking sales</i>	4-1500	4-1500	4-1600	4-1700
<i>Cost of sales account</i>	5-1500	5-1500	5-1600	5-1700
<i>Tax code</i>	GST	GST	GST	GST
<i>Supplier item ID</i>	AB100	BWSB1	EFF38	GFSW6
<i>Minimum stock level</i>	5	20	2	2
<i>Primary supplier for reorders</i>	Spinifex Group	Sleepover	Engel Aust	Garmin & Co
<i>Default reorder quantity</i>	10	20	5	5

**TABLE 9.1 – Inventory items**

<i>Name</i>	Family Tent	Bungalow Tent	Hiker Tent	Stove
<i>Description</i>	OZtrail 3 room 12-person tent	OZtrail Bungalow 9-person tent	OZtrail Hiker 2-person tent	OZtrail Double Burner Stove
<i>Item ID</i>	OZ12PT	OZB9PT	OZHIK2	OZSTV2
<i>I Buy/I Sell/I Inventory</i>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
<i>Asset account for tracking inventory</i>	1-1300	1-1300	1-1300	1-1300
<i>Selling price (excluding GST)</i>	\$730	\$480	\$120	\$140
<i>Buying/selling unit of measure</i>	Each	Each	Each	Each
<i>Items per unit</i>	1	1	1	1
<i>Income account for tracking sales</i>	4-1400	4-1400	4-1400	4-1600
<i>Cost of sales account</i>	5-1400	5-1400	5-1400	5-1600
<i>Tax code</i>	GST	GST	GST	GST
<i>Supplier item ID</i>	OZD12	OZDB9	OZHT2	OZDS2
<i>Minimum stock level</i>	2	5	10	8
<i>Primary supplier for reorders</i>	Ozzie Trailblazers	Ozzie Trailblazers	Ozzie Trailblazers	Ozzie Trailblazers
<i>Default reorder quantity</i>	5	5	10	10

**TABLE 9.2 – Inventory items**

To set up the inventory items in the tables above, select the **Create item** on the **Inventory** menu.

### **Details**

Name: **Single airbed**  
Description: **Durable single airbed, inflates rapidly**  
Item ID: **AIRBDS**

### **Inventory**

Tick the box to indicate that you **inventory** this item.  
Asset account for tracking inventory: **1-1300 Inventory**

## Selling

Tick the box to indicate that you **sell** this item.

Selling price: **\$50.00**  
Selling price is: **☉ Tax exclusive.**  
Unit of measure: **Each**  
Items per selling unit: **1**  
Income account for tracking sales: **4-1500 Sales Sleeping Equipment**  
Cost of sales account: **5-1500 Cost of Sales Sleeping Equipment**  
Tax code: **GST**

## Buying

Tick the box to indicate that you **buy** this item.

Buying price: Leave blank (MYOB will update this as purchases are made)  
Buying price is: **☉ Tax exclusive.**  
Unit of measure: **Each**  
Items per buying unit: **1**  
Tax code: **GST**  
Supplier item ID: **AB100**

## Restocking information

(This is optional, but very useful. MYOB uses it in reports and for reordering. The business uses this information when there are new staff, or someone is filling in while staff are on holidays, as it is information that is readily available to assist others in these circumstances.)

Minimum stock level: **5**  
Primary supplier for reorders: **Spinifex Group**  
Default reorder quantity: **10**

The screenshot shows the 'Create item' form in MYOB. The form is divided into several sections: Details, Inventory, Selling, Buying, and Restocking information. The 'Selling' section is highlighted, showing the following values: Selling price (\$): 50.00, Selling price is: Tax exclusive (selected), Unit of measure: Each, Items per selling unit: 1, Income account for tracking sales: 4-1500 Sales Sleeping Equipment, Cost of sales account: 5-1500 Cost of Sales Sleeping Equipment, Tax code: GST. The 'Buying' section shows: Buy this item (checked), Buying price (\$): blank, Buying price is: Tax exclusive (selected), Unit of measure: Each, Items per buying unit: 1, Tax code: GST, Supplier item ID: AB100. The 'Restocking information' section shows: Minimum stock level: 5, Primary supplier for reorders: Spinifex Group, Default reorder quantity (per buying unit): 10. The form also includes a 'Name' field with 'Single airbed', a 'Description' field with 'Durable single airbed inflates rapidly', and a 'Barcode' field with 'AB100'. The 'Inventory' section has 'Track stock for this item' checked and 'Account for tracking inventory' set to '1-1300 Inventory'. The top of the form shows 'Average cost', 'Current value', 'On hand', and 'On order with supplier' all at 0.00. At the bottom, there are 'Cancel', 'Save and...', and 'Save' buttons.

FIGURE 9.1 – Item Card

Click [Save and create new] and set up the other inventory items in tables 9.1 & 9.2. When all the items have been set up your screen should look the same as the one in figure 9.2.

Item ID	Name	On hand	Current value (\$)	Selling price (\$)	Tax
ARB05	Single airbed	0	0.00	50.00	Excluded
ARB05	Airbed			50.00	Excluded
BWCSB	Sleeping Bag	0	0.00	130.00	Excluded
BWCSB	Sleeping Bag			130.00	Excluded
ENFF30	Fridge-Freezer			970.00	Excluded
ENFF30	Fridge-Freezer	0	0.00	970.00	Excluded
GMFN6	Smartwatch			990.00	Excluded
GMFN6	Smartwatch	0	0.00	990.00	Excluded
OZ12PT	Family Tent	0	0.00	730.00	Excluded
OZB9P	Bungalow Tent			400.00	Excluded
OZB9P	Bungalow Tent	0	0.00	400.00	Excluded
OZDS2	Stove			140.00	Excluded
OZDK2	Hiker Tent	0	0.00	120.00	Excluded
OZDK2	Hiker Tent			120.00	Excluded
OZSTV2	Stove	0	0.00	140.00	Excluded

FIGURE 9.2 – Items List

Before proceeding any further we are going to make all the old 5-digit item IDs inactive. This will avoid confusion because the new names and numbers are similar.

To do this:

- Click on the item ID and this will take you to the screen shown in figure 9.3.
- Tick in the 'Inactive item' field and click [Save].

FIGURE 9.3 – Make an item inactive

When you return to the Items window you will no longer see this item. Continue with this process until all the old items are inactive and your list looks the same as figure 9.4.

Item ID	Name	On hand	Current value (\$)	Selling price (\$)	Tax
ARB05	Single airbed	0	0.00	50.00	Excluded
BWCSB	Sleeping Bag	0	0.00	130.00	Excluded
ENFF30	Fridge-Freezer	0	0.00	970.00	Excluded
GMFN6	Smartwatch	0	0.00	990.00	Excluded
OZ12PT	Family Tent	0	0.00	730.00	Excluded
OZB9P	Bungalow Tent	0	0.00	400.00	Excluded
OZDK2	Hiker Tent	0	0.00	120.00	Excluded
OZSTV2	Stove	0	0.00	140.00	Excluded

FIGURE 9.4 – Items List

## Record Inventory Opening Balances

Before entering the opening balances for these inventory items an adjustment must be made to the current balance displayed in the control account in the general ledger, otherwise the inventory subsidiary ledger will be out of balance with the control account.

The balance of \$10,700 was the opening balance for the current financial year. To adjust it to the total value of inventory shown in Table 9.3 a general journal entry is required to move the difference to a new account named '**Stock/Inventory Adjustments**' with the account number **5-0500** which you can select from the recommended account list for Cost of sales when you *click* Create account. It has a tax code of N.T because it is for internal adjustments. Record the journal entry as shown in figure 9.5.

The screenshot shows the 'Create general journal transaction' window. The date is set to 01/06/2023. The reference number is GJ000015. The transaction is marked as a purchase. The description is 'Adjust inventory balance on change to perpetual inventory'. The journal entry table is as follows:

Account *	Debit (\$)	Credit (\$)	Quantity	Description	Job	Tax code *
1-1300 Inventory	1,747.00					N-T
5-0500 Stock/Inventory Adjustments		1,747.00				N-T

Summary: Total debit \$1,747.00, Total credit \$1,747.00, Tax \$0.00, Out of balance \$0.00.

FIGURE 9.5 – Adjust value in general ledger account

To enter the opening balances for the inventory items shown in table 9.2, *click* **Create inventory adjustment** on the **Inventory** menu.

Item ID	Quantity on Hand	Unit Cost	Total Value of Inventory
AIRBDS	19	\$28	\$532
BKWCSB	14	\$70	\$980
ENFF38	5	\$530	\$2,650
GMFEN6	5	\$560	\$2,800
OZB9PT	14	\$265	\$3,710
OZHIK2	15	\$65	\$975
OZSTV2	10	\$80	\$800
			\$12,447

TABLE 9.3 – Opening inventory quantities and unit cost

Date: **01/06/202\_**  
(You will get a warning sign if the date is ahead of your system date as it was when the screenshot was taken.)

Transaction description: **Opening balances**

Select the **Item ID** and enter the quantity on hand in the '**New on hand**' column (the adjustment figure is automatically entered by MYOB) and then enter the **unit cost**. MYOB will calculate the amount for you (check the figure against the one shown in table 9.3 just to make sure you have entered things correctly so far).

Then enter the account number **1-1300 Inventory**. We want this entry to effectively be in and out of that account so that the balance does not change. The first line should look like the one in figure 9.6.

The screenshot shows the 'Adjust inventory' form with the following details:

- Inventory journal number: L1000001
- Date: 01/06/2023
- Transaction description: Opening balances
- EGFY adjustment:

Item ID *	Name	Current	Adjustment	New on hand	Unit cost (\$)	Amount (\$)	Account *	Job	Memo
AIRBD	Single airbed	0	19	19	28.00	532.00	1-1300 Invent		
		0							

**FIGURE 9.6 – Adjust Inventory**

When you have entered the items in table 9.3 your screen should look the same as figure 9.7.

The screenshot shows the 'Adjust inventory' form with the following details:

- Inventory journal number: L1000001
- Date: 01/06/2023
- Transaction description: Opening balances
- EGFY adjustment:

Item ID *	Name	Current	Adjustment	New on hand	Unit cost (\$)	Amount (\$)	Account *	Job	Memo
AIRBD	Single airbed	0	19	19	28.00	532.00	1-1300 Invent		
BKWC	Sleeping Bag	0	14	14	70.00	980.00	1-1300 Invent		
ENFC3	Fridge-Freezer	0	5	5	530.00	2,650.00	1-1300 Invent		
GMHE1	Smartwatch	0	5	5	560.00	2,800.00	1-1300 Invent		
OU8W	Bungalow tent	0	14	14	265.00	3,710.00	1-1300 Invent		
OZHSK	Hiker tent	0	15	15	65.00	975.00	1-1300 Invent		
OZSTv	Stove	0	10	10	80.00	800.00	1-1300 Invent		
		0							

**FIGURE 9.7 – Adjust Inventory**

Those circles with the letter 'i' in them are useful when you want to check stock levels. *Click* [Save] then [Cancel].

If you want to check the entry you have just recorded go to **Find transactions** on the **Banking** menu. Change the source journal to **Inventory** and select **Debits and credits**. The entry you will see is displayed in figure 9.8.

The screenshot shows the 'Find transactions' screen with the following search criteria:

- Period: Custom
- Date from: 01/05/2023
- Date to: 30/06/2023
- Source journal: Inventory journal
- Account: All

Date	Reference no	Description	Account	Source journal	Debit (\$)	Credit (\$)
01/06/2023	L1000001	Opening balances	1-1300 Inventory	Inventory journal		12,447.00
01/06/2023	L1000001	Opening balances	1-1300 Inventory	Inventory journal	532.00	
01/06/2023	L1000001	Opening balances	1-1300 Inventory	Inventory journal	980.00	
01/06/2023	L1000001	Opening balances	1-1300 Inventory	Inventory journal	2,650.00	
01/06/2023	L1000001	Opening balances	1-1300 Inventory	Inventory journal	2,800.00	
01/06/2023	L1000001	Opening balances	1-1300 Inventory	Inventory journal	3,710.00	
01/06/2023	L1000001	Opening balances	1-1300 Inventory	Inventory journal	975.00	
01/06/2023	L1000001	Opening balances	1-1300 Inventory	Inventory journal	800.00	

**FIGURE 9.8 – Opening inventory balances entry**



Unit of measure: **Each**  
 Account for tracking sales: **4-1700 Sales Other**  
 Cost of sales account: **5-1700 Cost of Sales Other**  
 Tax code: **GST**

**Buying details**

Buying price: Leave blank (tax exclusive)  
 Unit of measure: **Each**  
 Number of Items per Buying Unit: **1**  
 Tax code: **GST**

The information about the minimum level etc cannot be recorded when you add an item here. You will have to edit the item later. Alternatively, you can set up the inventory item first and then create the purchase order.

Click [Save] to return to the purchase order screen. Enter the quantity and unit price for the new item.

**Create purchase order**

Supplier \* Ozzie Trailblazers ABN invalid

Purchase order number \* 00002009

Supplier invoice number

Issue date \* 01/06/2023

Promised date 00/00/00

Amounts are  Tax inclusive  Tax exclusive

Shipping Address: Carry On Camping, 1500 Albany Highway, Madingleton WA 6109

Item ID	Description	Account *	No of units	Unit price	Discount (%)	Amount (\$) *	Job	Tax code *
OZHP65	OZtrail Hike Pack 65L	1-1300 Inventory	10	108.00	0.00	1,080.00		GST

Notes

Subtotal: \$1,080.00  
 Freight (\$): 0.00 GST  
 Tax: \$108.00  
 Total: \$1,188.00  
 Amount paid (\$): 0.00  
 Balance due: \$1,188.00

Buttons: View PDF, Email purchase order, Cancel, Save and..., Save

FIGURE 9.10 – Completed purchase order for new item

Click [Save] and then [Cancel].

**Stock Alert**

The **Reorder low stock items** on the **Inventory** menu provides very useful information about items that have fallen to or below the minimum stock level figure entered on the inventory cards. You can create purchase orders from here also, and MYOB will use the information provided on the card to create the purchase order to the preferred supplier for the default reorder quantity.

The report shown in figure 9.11 shows that there are two items requiring reordering. *Select* all items as shown.

**Reorder report**

Suppliers: All selected

Create purchase order: 2 selected

Item ID	Item name	Primary supplier	On hand	On order with supplier	Committed to customer	Available	Minimum stock level	Unit of measure	Order quantity
OZ12PT	Family Tent	Ozzie Trailblazers	0	0	0	0	2	Each (1)	5 Each
BKMC5B	Sleeping Bag	Sleepover	14	0	0	14	20	Each (1)	20 Each

FIGURE 9.11 – Reorder report

Click **[Create purchase order]** and a blank report will reappear. That is, provided your system date is later than the dates we are working with i.e., June 202\_. If not, the automatic creation of the purchase orders will fail, and they will have to be created individually for the reorder quantity shown in figure 9.11, unit prices to be entered when the goods are received.

If the automatic creation of purchase orders worked for you, then as you were not given an opportunity to enter the date, MYOB will have given the purchase orders an issue date of whatever your system date is. To find and edit the purchase orders go to **Purchase orders** on the **Purchases** menu and enter your system date in the 'Issued to' field.

When the list appears, *click* on the **PO number**, and change the issue date to **5/06/202\_**.

The new purchase orders that you have created do not have any monetary values shown as this process does not include unit prices (see figure 9.12). If the business prefers to include prices on the purchase orders, these can be inserted by viewing the order, inserting the price, and then saving.

Issue date	PO number	Supplier	Supplier invoice no	Amount (\$)	Balance due (\$)	Promised date
05/06/2023	00002010	Ozzie Trail...		0.00	0.00	
05/06/2023	00002011	Sleepover		0.00	0.00	
01/06/2023	00002009	Ozzie Trail...		1,188.00	1,188.00	

**FIGURE 9.12 – Purchase orders**

### Order for New Customer

Sales orders are used to get information into the accounting system about goods that have been ordered and require delivery as soon as possible or by some specified date. These are converted into a sales invoice when the goods are delivered or ready for delivery.

**June 5**      ***Order #233 received from Adventure Tours of 436 Rapids Road, Serpentine WA 6125 for 16 AIRBDS, 16 BKWCSB and 4 OZB9PT. All prices are the base selling price. Delivery is required June 12 and we have agreed to terms of net 15 days.***

Select **Create sales order** on the Sales menu. Type **12/06/202\_** in the 'Promised date' field.

**Create sales order**

Customer \*  
Adventure Tours

Billing address  
436 Rapids Road  
Serpentine WA 6125  
Australia

Sales order number \* 2233  
Customer PO number 233  
Issue date \* 05/06/2023  
Promised date 12/06/2023  
Status Open  
Amounts are  Tax inclusive  Tax exclusive

Item ID	Description	Account *	Unit	Order qty	Unit price	Discount (%)	Amount (\$) *	Job	Tax code *
AIRE	Durable single airbed, inflates rapidly	4-1500 Sales Ste	Each	16	50.00	0.00	800.00		GST
BKW	Black Wolf Campsite sleeping bag	4-1500 Sales Ste	Each	16	130.00	0.00	2,080.00		GST
OZBI	OZtrail Bangalow 2-person tent	4-1400 Sales Ten	Each	4	480.00	0.00	1,920.00		GST

Notes to customer

Subtotal \$4,800.00  
Freight (\$) 0.00 GST  
Tax \$480.00  
Total \$5,280.00

View PDF Cancel Save

FIGURE 9.13 – Sales order

### Cash Sale at Special Price

Most of the time, items are sold at the selling price in the system, however, there are times when a decision is made to charge a higher or lower price for some reason. In that case you enter the sale in the normal way but change the price to the special price given to that customer. Remember to record the receipt of the payment.

**June 6**      ***Cash sale of 1 Engel Eclipse fridge-freezer (ENFF38) @ \$870.00 plus GST. The customer paid by cheque, which was banked today.***

### Receive Goods Ordered, with Bill

The items ordered from Ozzie Trailblazers on June 1 have arrived, together with the bill.

**June 7**      ***Received invoice #27511 (PO #2009) for \$1,243.00 from Ozzie Trailblazers, together with 10 OZHP65 @ \$108.00 each. A freight charge of \$50.00 was added to the invoice. All prices are GST exclusive. Terms 5%10/N30.***

Select **Purchase orders** on the Purchases menu. From list of purchase orders *select* the one dated **01/06/202\_** (just in case you have a different PO number) and convert it to a bill by *clicking* [**Convert to bill**].

Check the quantities received and prices charged. Remember prices on purchase orders may not always be correct unless confirmed with the supplier. Make changes if required and add the freight charge. (See figure 9.14)

**Create bill**

Supplier \*  
Ozzie Trailblazers ABN invalid  
No open purchase orders

Billing address  
Carry On Camping  
1800 Albany Highway  
Maddington WA 6109

Report to ATO via TPAR

Bill number \* 00002012  
Supplier invoice number 27511  
Issue date \* 07/06/2023  
Due date \* 17/06/2023  
Amounts are  Tax inclusive  Tax exclusive

Item ID	Description	Account *	No of units	Unit price	Discount [%]	Amount [\$] *	Job	Tax code *
OZHPGS	OZtrail Hike Pack 65L	1-1300 Inventor	10	108.00	0.00	1,080.00		GST

Notes

Subtotal \$1,080.00  
Freight (\$) 50.00 GST  
Tax \$113.00  
Total \$1,243.00  
Amount paid (\$) 0.00  
Balance due \$1,243.00

View PDF Save as recurring Prefill from recurring Cancel Save and... Save

FIGURE 9.14 – Convert purchase order to bill

**June 10** Received invoice #2221 (PO #2011) for \$1,595.00 from Sleepover, together with 20 BKWCSB @ \$70.00 each. A freight charge of \$50.00 was added to the invoice. All prices are GST exclusive. Terms N30.

### Convert Sales order into Invoice with volume discount

The business is ready to deliver the goods ordered by the new customer.

**June 12** Invoiced Adventure Tours for goods as per their purchase order #233 - 16 AIRBDS @ \$50.00 each, 16 BKWCSB @ \$130.00 each and 4 OZB9PT @ \$480.00 each. Because this is a new customer and they have purchased a reasonable quantity of items, the owner of the business has decided to give them a 5% discount on all items. A freight charge of \$50 is to be added for delivery. Terms N15.

On the Sales menu click Sales orders and select the one for Adventure Tours. Click [Convert to invoice].

Enter the 5% discount and freight as shown in figure 9.15. Make sure the issue and due dates are correct.

**Create invoice**

Customer \*  
Adventure Tours

No ABN provided

Billing address  
436 Rapids Road  
Serpentine WA 6125  
Australia

Invoice number \* 2235

Customer PO number 233

Issue date \* 12/06/2022

Due date \* 27/06/2023

VISA MASTERCARD AMEX Start getting paid online

Amounts are  Tax inclusive  Tax exclusive

Item ID	Description	Account *	Unit	No of units	Unit price	Discount (%)	Amount (\$) *	Job	Tax code *
AIRB	Durable single airbed, inflates rapidly	4-1500 Sales Six	Each	16	50.00	5.00	760.00		GST
BKW	Black Wolf Campsite sleeping bag	4-1500 Sales Six	Each	16	130.00	5.00	1,876.00		GST
OZB	OZtrail Bungalow 8-person tent	4-1400 Sales Ten	Each	4	480.00	5.00	1,824.00		GST

Notes to customer  Save as default

Subtotal \$4,560.00

Freight (\$) 50.00 GST

Tax \$461.00

Total \$5,071.00

Amount paid (\$) 0.00

Balance due \$5,071.00

View PDF Email invoice Save as recurring Profit from recurring Cancel Save and... Save

FIGURE 9.15 – Invoice with volume discount

### Insufficient Inventory

Whether or not the business automatically enters all orders from customers as sales orders, when a customer places an order with you for an inventory item that you do not have sufficient inventory of at that time, MYOB will warn you about the situation as you will discover in the next entry.

**June 17**      ***Credit sale to Kalbarri General Store of 4 x OZtrail Family 12-Person Tents (OZ12PT) @ \$730.00 each excluding GST, delivery is required as soon as possible. Customer purchase order #351.***

Go to **Create invoice** and enter the credit sale details as though you expect to be able to supply the item ordered. When you *click* [Save] the message shown in figure 9.16 will appear.

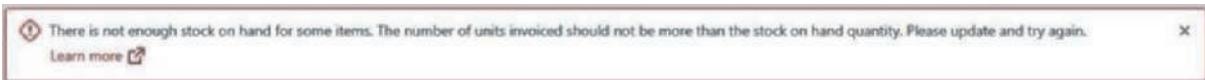


FIGURE 9.16 – Insufficient stock

If you *click* on the information icon next to the Item ID you will see that there are 5 on order and 0 on hand. *Click* [Cancel] and then [Discard].

At this point management would or should contact the customer to explain that they are expecting delivery of this item very soon and they have put this order in the backorder file for delivery as soon as stock arrives.

This version of MYOB does not allow us to convert the invoice into a sales order. Create a sales order so that the order is in the system.

### Receive Part Delivery of Goods (Backorder)

Sometimes suppliers are unable to supply the requested quantity of an item because they do not have sufficient in the warehouse, but usually they have some on order, which they then promised to deliver

as soon as it becomes available to complete the order. When this happens some or all the items ordered are placed on backorder unless you (the customer) decide to cancel the balance of the order.

**June 19**      **Received Invoice #27520 for \$1,760.00 from Ozzie Trailblazers for goods ordered. Items received were – 4 only OZ12PT @ \$380.00 each plus GST. The remaining quantity has been put on backorder and will be supplied as soon as available. The freight charge added was \$80.00. Terms 5%10/N30.**

Go to the **Purchases** menu *select Purchase orders*. Click on PO number **00002010** and it will display on your screen.

**Purchase Order 00002010**

TOTAL AMOUNT: \$0.00    TOTAL PAID: \$0.00    BALANCE DUE: \$0.00

Supplier: Ozzie Trailblazers (ABN invalid)

Purchase order number: 00002010

Issue date: 05/06/2023

Shipping Address: Carry On Camping, 1800 Albany Highway, Maddington WA 6109

Item ID	Description	Account *	No of units	Unit price	Discount (%)	Amount (\$) *	Job	Tax code *
OZ12PT	OZtrail 3 room 12-person tent	1-1300 Investor	5	0.00	0.00	0.00		GST

Notes:

Subtotal: \$0.00  
 Freight (\$): 0.00 GST  
 Tax: \$0.00  
 Total: \$0.00  
 Amount paid: \$0.00  
 Balance due: \$0.00

Buttons: Delete, Convert to bill, View PDF, Email purchase order, Cancel, Save and..., Save

**FIGURE 9.17 – Open purchase order**

Click **Convert to bill**.

Supplier invoice no:      **27520**  
 Issue date:                **19/06/202\_**  
 No of units:                **4**  
 Unit price:                 **380**

Add the freight charge and then record. (See figure 9.18)

If you order items but do not receive all of them, you can edit the 'No of units' column in the purchase order before or after converting the purchase order to a bill. If you are expecting to receive the undelivered items later, as in this case, you will have to create a new purchase order for the items on backorder as it cannot be done automatically in this version of the software.

You could wait and create a bill for them when they arrive, but by creating the purchase order you have a record in the system of items still to be delivered.

Check your screen against figure 9.18 before saving the transaction. Then *create* a purchase order to record the **1 only OZ12PT family tent @ \$380 excluding GST** on backorder.

Finally, create a new purchase order to **Ozzie Trailblazers** for **5 family tents @ \$380** each excluding GST, as once the order for Kalbarri General Store is filled the business will again have insufficient of this stock item available.

**Create bill**

Supplier\*  
Ozzie Trailblazers ABN invalid

Bill number\* 00002014

No open purchase orders

Supplier invoice number 27520

Billing address  
Carry On Camping  
1800 Albany Highway  
Maddington WA 6109

Issue date\* 19/06/2023

Due date\* 29/06/2023

Amounts are  Tax inclusive  Tax exclusive

Report to ATO via TPAB

Item ID	Description	Account *	No of units	Unit price	Discount (%)	Amount (\$)	Job	Tax code *
OZ12PT	OZtrail 3 room 12-person tent	1-1300 Investor	4	380.00	0.00	1,520.00		GST

Notes

Subtotal \$1,520.00

Freight (\$) 80.00 GST

Tax \$160.00

Total \$1,760.00

Amount paid (\$) 0.00

Balance due \$1,760.00

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FIGURE 9.18– Part delivery of purchase order

### Price Correction

When there is a correction of an over or under charge, care must be taken to change the unit price and not the quantity of inventory on hand.

**June 19**      *The price charged for the 10 only OZtrail Hike Packs (OZHP65) was incorrect. These were charged to us at \$108.00 each when we were quoted \$98.00 each. Ozzie Trailblazers has issued us with adjustment note #27535 for \$110.00.*

Go to the **Purchases** menu *click Create bill.*

Line 1: Enter a negative quantity to reduce inventory by ten (10) of this item at the original price charged by the supplier.

Line 2: Enter a positive quantity to increase inventory by ten (10) of the same item at the new price charged by the supplier. (See figure 9.19.)

**Create bill**

Supplier\*  
Ozzie Trailblazers ABN invalid

Bill number\* 00002017

No open purchase orders

Supplier invoice number 27535

Billing address  
76 Stone Street  
Croydon VIC 3136  
Australia

Issue date\* 19/06/2023

Due date\* 19/07/2023

Amounts are  Tax inclusive  Tax exclusive

Report to ATO via TPAB

Item ID	Description	Account *	No of units	Unit price	Discount (%)	Amount (\$)	Job	Tax code *
OZHP65	OZtrail Hike Pack 65L	1-1300 Investor	-10	108.00	0.00	-1,080.00		GST
OZHP65	OZtrail Hike Pack 65L	1-1300 Investor	10	98.00	0.00	980.00		GST

Notes

Subtotal -\$100.00

Freight (\$) 0.00 GST

Tax -\$10.00

Total -\$110.00

Amount paid (\$) 0.00

Balance due -\$110.00

View PDF Save as recurring Prefill from recurring Cancel Save and... Save

FIGURE 9.19 – Price correction

Click [Save] and [Save] again.

Now click **Supplier returns** on the **Purchases** menu. The window shown in figure 9.20 will display. Click **Apply**.

Issue date	Bill number	Supplier	Supplier invoice no	Amount (\$)	Balance due (\$)	Record refund	Apply to purchase
19/06/2023	00002017	Ozzie Trailblazers	27535	-110.00	-110.00	Refund	Apply

FIGURE 9.20 – Purchase returns and debits

Apply the \$110 against the bill dated 07/06/202\_ as shown in figure 9.21.

Issue date	Bill number	Status	Balance due (\$)	Discount (\$)	Discounted balance (\$)	Amount applied (\$)
19/06/2023	00002014	Open	1,780.00		1,780.00	
07/06/2023	00002012	Open	1,243.00		1,243.00	110.00
28/05/2023	00002004	Open	3,465.00		3,465.00	
28/04/2023	1993	Open	3,535.00		3,535.00	

FIGURE 9.21 – Apply supplier debit to purchase

Click [Record].

## Purchase Return

When goods are returned to a supplier, MYOB reduces the balances of the general ledger control accounts for inventory and accounts payable, as well as the individual inventory item and supplier cards in the subsidiary ledgers.

**June 21**      *Received adjustment note #2254 for \$77.00 from Sleepover for 1 Black Wolf Campsite sleeping bag we returned to them because it was damaged. It was part of the delivery we received from them on June 10.*

Go to the **Purchases** menu and *select Create bill*.

This entry is like the previous one, in that you enter a negative quantity to indicate that one (1) of that item has been returned to the supplier at the price charged. (See figure 9.22.)

**Create bill**

Supplier\*  
Sleepover ASBN invalid  
No open purchase orders

Billing address  
76 Howe Street  
Osborne Park WA 6017  
Australia  
 Report to ATO via TPAR

Bill number\* 00002018  
Supplier invoice number 2254  
Issue date\* 21/06/2023  
Due date\* 21/07/2023  
Amounts are  Tax inclusive  Tax exclusive

Item ID	Description	Account *	No of units	Unit price	Discount (%)	Amount (\$)*	Job	Tax code *
BKWCSB	Black Wolf Campsite sleeping bag	1-1300 Inventor	-1	77.00	0.00	-77.00		GST

Notes

Subtotal -77.00  
Freight (\$) 0.00 GST  
Tax -7.00  
Total -87.00  
Amount paid (\$) 0.00  
Balance due -87.00

View PDF Save as recurring Prefill from recurring Cancel Save and... Save

**FIGURE 9.22 – Return to supplier**

Click [Save] and [Save] again. Then go to **Supplier returns** and apply it against the open invoice dated **10/06/202\_**. Change the date of the transaction to **21/06/202\_**.

It is important to apply the credit against the invoice on which the goods were originally billed particularly if a prompt payment discount applies, otherwise you could be claiming discount you are not entitled to claim.

### Invoice Goods (Backorder)

Do we have sufficient stock on hand to fill the order from Kalbarri General Store?

**June 21**      ***The item on backorder for Kalbarri General Store (customer order #351) is ready for delivery today. Generate an invoice for the quantity ordered and add a freight charge of \$50. Terms N14.***

Go to the **Sales** menu and *click* **Sales orders**. When the list appears *select* the sales order for **Kalbarri General Store** and prepare to convert it to an invoice.

*Click* on the information icon alongside the item ID to check how many we have on hand that we can deliver to the customer, and then create the invoice.

Item ID	Description	Account
OZ12	OZtrail 3 room 12-person tent	4-1400

Notes to c

On hand: 4  
On order: 6  
Average cost: \$380.00

Edit Item

**FIGURE 9.23 – Checking quantity on hand**

**Create invoice**

Customer\*  
Kalbarri General Store

No ABN provided

Billing address  
c/- Post Office  
Kalbarri WA 8536  
Australia

Invoice number\* 2237  
Customer PO number 351  
Issue date\* 31/06/2023  
Due date\* 05/07/2023

VISA MASTERCARD Start getting paid online

Amounts are  Tax inclusive  Tax exclusive

Item ID	Description	Account *	Unit	No of units	Unit price	Discount (%)	Amount (\$)	Job	Tax code *
OZT1	Oztrail 3 room 12-person tent	4-1400 Sales Ten	Each	4	730.00	0.00	2,920.00		GST

Notes to customer  Save as default

Subtotal \$2,920.00  
Freight (\$) 50.00 GST  
Tax \$297.00  
Total \$3,267.00  
Amount paid (\$) 0.00  
Balance due \$3,267.00

View PDF Email invoice Save as recurring Prefill from recurring Cancel Save and... Save

FIGURE 9.24 – Backorder delivery to customer

### Customer Returns Damaged Inventory

Sometimes customers return inventory that cannot be resold because it is damaged. If the fault is ours and not our suppliers, then the inventory must be written off. This involves a 3-step process.

**June 24** *Adventure Tours have returned 1 Airbed single (AIRBDS) because they discovered a puncture in it when they inspected the goods they received. The most likely cause of this is careless handling but by whom we do not know. This was part of the shipment on our invoice #2225, and their purchase order #233.*

#### Step 1 – Create an adjustment note

Select the **Sales** menu and **Create invoice**.

Select **Adventure Tours**, enter the date, and purchase order details. Do not change the invoice number as this is system generated and the business must send an adjustment note to the customer.

Item ID: **AIRBDS**  
No of units: **- 1**

The price that will display is the normal selling price. This is not the price that the customer was charged on the original invoice, they were charged **\$50 less 5% discount**.

Always check the original invoice price, as the boss would not be happy if you gave a customer a credit for more than they were originally charged. Enter the price and the discount percentage (where applicable), then record the transaction. (See figure 9.25)

FIGURE 9.25 – Adjustment note for damaged goods

**Step 2 – Apply the adjustment note against the outstanding invoice**

Go to the **Sales** menu and **Customer returns**.

Click **Apply**.

Change the date to **24/06/202\_** and apply the credit against invoice #2235.

**Step 3 – Write off the damaged inventory**

Go to the **Inventory** menu and *click* **Create inventory adjustment**.

- Date: **24/06/202\_**
- Transaction description: **Damaged airbed written off.**
- Item ID: **AIRBDS**
- Adjustment: **-1** (This will automatically update the number on hand.)
- Account: **5-0500 Stock/Inventory Adjustments**

**Note:** The reason for this step is that the adjustment note put the item back into inventory; it must now be removed from inventory because it is no longer saleable, therefore it must be written off. Do **not** change the unit cost, this is system generated based on average cost, and always post adjustments of this type to the inventory adjustment account.

FIGURE 9.26 – Write off the damaged inventory

Click [Save] and then [Cancel].

## Receive Backordered Goods

**June 25** Received a delivery of 6 x OZtrail Family 12 Person Tents from Ozzie Trailblazers together with their invoice #27529. This bill covers the items on backorder and the items ordered on purchase order #2016. A freight charge of \$80.00 was added. Terms 5% 10/N30.

Use **Purchase orders** on the Purchases menu. MYOB will not let you select both purchase orders to convert into bills at the same time. Select each separately but enter the same invoice number on both. Add the freight charge to the larger of the two bills.

The total for the backorder bill should be \$418.00 and for the other bill it should be \$2,178.00.

## Credit Sale

**June 26** Credit sale to Adventure Tours (customer order #239) for 3 x Airbeds (AIRBDS) @ \$50.00 each. Invoice total \$165.00. Terms N15.

## Cash Sale

**June 26** Cash sale of 1 only OZSTV2 for \$150.00 including GST. The customer paid by EFTPOS.

## Cash Sale of promotional item

The hike packs were purchased to use for a promotional item to attract hikers. In this version of the software, we are unable to group items together to make a promotional item, so instead we will invoice the customer for the individual items at a discounted price.

**June 27** Cash sale of 1 only Promotional Special @ \$1,265.00 including GST. The customer paid by EFTPOS.

Figure 9.27 shows what is in the promotional item. In this transaction you are going to change the 'Amount' figures as shown and MYOB will calculate the discount % for you. Alternatively, you could just change the unit price.

The screenshot shows the 'Create invoice' interface in MYOB. The customer is 'Cash Sales' and the invoice number is 2241. The issue date is 27/06/2023. The due date is 'Cash on delivery'. The invoice contains three items:

Item ID	Description	Account *	Unit	No of units	Unit price	Discount (%)	Amount (\$) *	Job	Tax code *
OZH	OZtrail Hike Pack 65L	4-1700 Sales Oth	Each	1	198.00	16.67	165.00		GST
OZH	OZtrail Hiker 2-person tent	4-1400 Sales Ten	Each	1	132.00	16.67	110.00		GST
SMF	Garmin Fenix 6 Smartwatch	4-1700 Sales Oth	Each	1	1,089.00	8.09	990.00		GST

The subtotal is \$1,265.00, with a balance due of \$0.00. The amount paid is \$1,265.00. The interface includes fields for 'Notes to customer', 'Save as default', and buttons for 'View PDF', 'Email invoice', 'Save as recurring', 'Profit from recurring', 'Cancel', 'Save and...', and 'Save'.

FIGURE 9.27 – Cash sale of promotional item

### Customer Returns Goods (over-ordered)

This transaction is processed in the same manner as the return of goods recorded earlier in the month, but only steps 1 and 2 are required as the item is not damaged and can be resold. Therefore, it does not need to be written out of inventory.

**June 28**      *Adventure Tours have returned 1 Airbed single (AIRBDS) @ \$50.00 from Invoice #2239, which was excess to their requirements. The item has been put back into inventory.*

### Customer Returns Goods (refund requested)

**June 29**      *The customer who purchased 1 only OZSTV2 for \$150.00 including GST on June 26 has returned the stove because it was not what he needed. He really wanted a 3-burner stove and we do not have any of those. The customer paid by EFTPOS and was refunded electronically.*

Create the invoice as shown in figure 9.28.

Item ID	Description	Account *	Unit	No of units	Unit price	Discount (%)	Amount (\$)	Job	Tax code *
OZS1	Oztrail Double Burner Stove	4-1600 Sales Kit	Each	-1	150.00	0.00	-150.00		GST

Subtotal: -\$150.00  
Freight (\$): 0.00 GST  
Tax: -\$13.84  
Total: -\$150.00  
Amount paid (\$): 0.00  
Balance due: -\$150.00

FIGURE 9.28 – Return by cash sale customer

When you have saved this invoice go to **Customer returns** on the Sales menu.

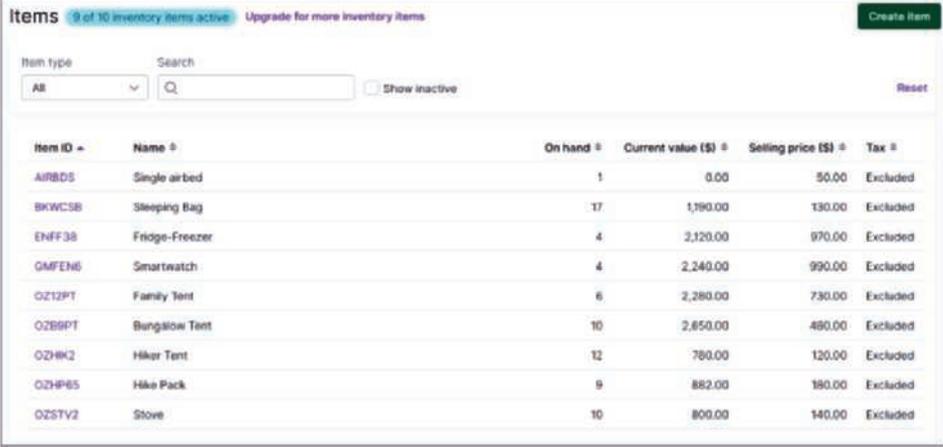
This time *click* on **Refund** and change the 'Reference number' to EFT as the refund has been made electronically, not by cheque.

Customer: Cash Sales  
Reference number: EFT  
Date: 29/06/2023  
Bank account: 1-1110 Business Bank Account  
Refund amount (\$): 150.00  
Description of transaction: Cash Sales: Credit from 2243

FIGURE 9.29 – Customer refund

## End of Period Stocktake

The owner has completed a manual stocktake which shows that 1 sleeping bag and 1 stove are missing. The computer records will need to be updated for these missing items.

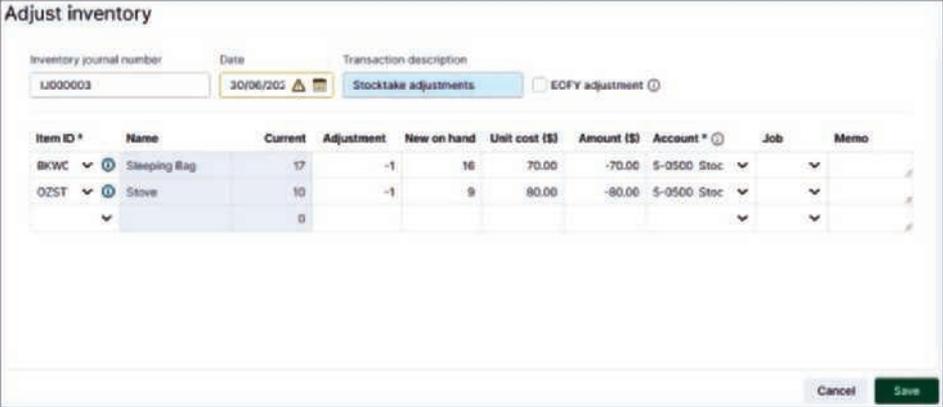


Item ID	Name	On hand	Current value (\$)	Selling price (\$)	Tax
AIRBDS	Single airbed	1	0.00	50.00	Excluded
BKWC5B	Sleeping Bag	17	1,190.00	130.00	Excluded
ENFF3B	Fridge-Freezer	4	2,120.00	970.00	Excluded
GMFEN6	Smartwatch	4	2,240.00	990.00	Excluded
OZ12PT	Family Tent	6	2,280.00	730.00	Excluded
OZB9PT	Bungalow Tent	10	2,650.00	480.00	Excluded
OZHK2	Hiker Tent	12	780.00	120.00	Excluded
OZHP65	Hike Pack	9	882.00	180.00	Excluded
OZSTV2	Stove	10	800.00	140.00	Excluded

FIGURE 9.30 – Computer stock figures

Go to the **Inventory** menu and **Create Inventory Adjustment**.

Change the date of the Inventory Adjustment entry to **30/06/202\_** and check your screen against figure 9.31 before you save the entry.



Item ID	Name	Current	Adjustment	New on hand	Unit cost (\$)	Amount (\$)	Account *	Job	Memo
BKWC	Sleeping Bag	17	-1	16	70.00	-70.00	5-0500 Stoc		
OZST	Stove	10	-1	9	80.00	-80.00	5-0500 Stoc		
		0							

FIGURE 9.31 – Inventory adjustment entry

## Inventory Reports

A variety of useful reports can be produced that will provide information about inventory levels, sales analysis, and reorders required. **Select Reports and Inventory**.

### *Items sales analysis*

This is a useful report for management that displays sales by quantity and amount, the cost of those sales, the gross profit and profit margin.

### Item sales analysis report

01 Jul 2022 - 30 Jun 2023

Item ID	Item name	Quantity	Amount (\$)	Cost of sales (\$)	Gross profit (\$)	Profit margin (%)
AIRBDS	Single airbed	17 Each	812.50	504.00	308.50	37.97
BKWCSB	Sleeping Bag	16 Each	1,976.00	1,120.00	856.00	43.32
ENFF38	Fridge-Freezer	1 Each	870.00	530.00	340.00	39.08
GMFEN6	Smartwatch	1 Each	900.00	560.00	340.00	37.78
OZ12PT	Family Tent	4 Each	2,920.00	1,520.00	1,400.00	47.95
OZB9PT	Bungalow Tent	4 Each	1,824.00	1,060.00	764.00	41.89
OZH1K2	Hiker Tent	3 Each	340.00	195.00	145.00	42.65
OZHP65	Hike Pack	1 Each	150.00	98.00	52.00	34.67
OZSTV2	Stove	0 Each	0.00	0.00	0.00	0
<b>Grand total</b>			<b>9,792.50</b>	<b>5,587.00</b>	<b>4,205.50</b>	<b>42.95</b>

FIGURE 9.32 – Item sales analysis

### Stock on hand

This report lists details of the current number of units on hand, the number on order and committed, together with the total value. It cannot be customised to a specific date. In 'Report options' tick the box to display items with zero balances.

**Note:** Airbed should be showing a value of \$28.00 in this report, but because the business has not purchased any since moving to perpetual inventory it is not shown. The total value agrees with the inventory figure in the general ledger.

Item ID	Item name	On hand	On order with supplier	Committed to customer	Available	Total value (\$)	Average cost (\$)
AIRBDS	Single airbed	1	0	0	1	0.00	0.00
BKWCSB	Sleeping Bag	16	0	0	16	1,120.00	70.00
ENFF38	Fridge-Freezer	4	0	0	4	2,120.00	530.00
GMFEN6	Smartwatch	4	0	0	4	2,140.00	560.00
OZ12PT	Family Tent	6	0	0	6	2,180.00	380.00
OZB9PT	Bungalow Tent	10	0	0	10	2,550.00	255.00
OZH1K2	Hiker Tent	12	0	0	12	780.00	65.00
OZHP65	Hike Pack	9	0	0	9	882.00	98.00
OZSTV2	Stove	9	0	0	9	720.00	80.00
<b>Grand total</b>						<b>12,792.00</b>	

FIGURE 9.33 – Stock on hand

### Items register

This report, when expanded, provides information about the quantities of inventory purchased, sold, or adjusted for a given period, the customer or supplier, and the total cost. Filter the report to display the month of June.

Figure 9.34 shows portion of this report expanded to show the type of information that is available for each item.

**Items register report**

01 Jun 2023 - 30 Jun 2023

Item number	Item name	Quantity changed	Amount (\$)					
AIRB05	Single airbed	1	6.00					
BKWC5B	Sleeping Bag							
Date	Transaction source	Reference no.	Memo	Starting quantity	Quantity changed	Amount (\$)	On hand	Current value (\$)
01/06/2023	Inventory	000001	Opening balances	0	16	980.00	16	980.00
10/06/2023	Purchase	00002013	Purchase, Sleepover	14	20	1,400.00	34	2,380.00
12/06/2023	Sale	2235	Sale, Adventure Tours	34	-16	(1,120.00)	18	1,260.00
21/06/2023	Purchase	00002018	Purchase, Sleepover	18	-1	(70.00)	17	1,190.00
30/06/2023	Inventory	000000	Stocktake adjustments	17	-1	(70.00)	16	1,120.00
<b>Total</b>					<b>16</b>	<b>1,120.00</b>		
ENFF3B	Fridge-Freezer						4	2,120.00
GMFEN6	Smartwatch						4	2,240.00
GZ12PT	Family Tent						6	2,280.00
GZBNPT	Bungalow Tent						10	2,650.00
GZHK2	Hiker Tent						12	780.00
GZHP65	Hike Pack						9	882.00
GZSV2	Stove						9	738.00
<b>Grand total</b>							<b>71</b>	<b>12,792.00</b>

FIGURE 9.34 – Items register report

**Reorder**

This report is a list of items to be reordered based upon minimum stock levels.

Item ID	Item name	Primary supplier	On hand	On order with supplier	Committed to customer	Available	Minimum stock level	Unit of measure	Order quantity
BKWC5B	Sleeping Bag	Sleepover	16	0	0	16	20	Each (1)	20 Each
AIRB05	Single airbed	Spiriflex Group	1	0	0	1	5	Each (1)	10 Each

FIGURE 9.35 – Reorder report

**Accounts Report**

The Trial Balance for June 202\_.

**Trial balance report**

Jun 2023

Account no	Account name	Debit (\$)	Credit (\$)	YTD Debit (\$)	YTD Credit (\$)
1-1110	Business Bank Account		10,299.18		5,268.58
1-1120	Business Investment Account	0.00		15,039.80	
1-1121	Petty Cash/Cash on Hand	0.00		100.00	
1-1200	Accounts Receivable	19,742.25		43,451.25	
1-1201	Less Prov'n for Doubtful Debts	0.00			145.00
1-1300	Inventory	2,092.00		12,792.00	
1-1310	Prepaid Insurance	0.00		444.00	
1-1311	Prepaid Advertising	0.00		3,600.00	
1-2110	Furniture & Equipment At Cost	0.00		11,400.00	
1-2120	Accum. Depr. Furniture & Equipment	0.00			4,515.00
1-2210	Improvements At Cost	0.00		5,000.00	
1-2220	Accum. Depr. Improvements	0.00			3,947.00
1-2310	Motor Vehicles At Cost	0.00		18,090.91	
1-2320	Accum. Depr. Motor Vehicles	0.00			376.89
2-1110	Visa		0.00		289.80
2-1140	Accounts Payable		12,144.00		27,383.00
2-1212	GST		916.75		869.59
2-1350	PAYG Withholding Payable		3,130.12		4,746.12
2-1355	Superannuation Payable		1,444.25		2,124.23
2-1360	Wages & Salaries Payable	1,676.00			0.00
2-1361	Union Fees Payable		54.00		54.00
2-1362	Health Fund Payable		860.00		860.00
2-2105	Business Loan		0.00		13,650.00
3-1000	Owner's Capital		0.00		53,225.00
3-2000	Owner's Drawings		0.00	26,764.00	
4-1400	Sales Tents		15,049.00		138,109.00
4-1500	Sales Sleeping Equipment		2,788.50		20,281.23
4-1600	Sales Kitchen Equipment		870.00		56,000.00
4-1700	Sales Other		1,050.00		62,810.00
4-2100	Service Income		350.00		3,570.00
4-2200	Freight Income		100.00		1,450.00
4-2300	Discount Received		0.00		411.00
4-5000	Profit on sale of asset		0.00		40.00
4-5005	Other Income		0.00		254.55
4-5006	Interest Income		0.00		39.80
5-0500	Stock/Inventory Adjustments		1,569.00		1,569.00
5-1400	Cost of Sales Tents	5,864.60		46,914.60	
5-1500	Cost of Sales Sleeping Equipment	1,624.00		11,657.64	
5-1600	Cost of Sales Kitchen Equipment	530.00		29,450.00	
5-1700	Cost of Sales Other	658.00		32,118.00	
5-2000	Freight Costs	260.00		1,010.00	
5-2130	Direct Labour	3,460.32		3,460.32	
5-2380	Subcontractors	1,670.00		1,670.00	
5-3000	Discount Allowed	0.00		325.91	
6-1110	Accounting & Bookkeeping	0.00		900.00	
6-1120	Advertising & Marketing	0.00		4,500.00	
6-1150	Bad Debts	0.00			130.00
6-1160	Bank Fees & Charges	0.00		210.00	
6-1250	Depreciation Expenses	0.00		3,968.89	
6-1300	Electricity Expenses	0.00		1,775.00	
6-1500	Insurance Expenses	0.00		4,896.00	
6-1700	Motor Vehicle Expenses		89.60	4,110.40	
6-4100	Payroll - Wages & Salaries	11,487.06		72,558.06	
6-4200	Payroll- Superannuation	1,650.17		7,453.15	
6-4280	Postage & Stationery	0.00		633.45	
6-4300	Rent Expense	0.00		33,500.00	
6-4320	Repairs & Maintenance	0.00		1,160.00	
6-4400	Staff Amenities	0.00		245.41	
6-4460	Telephone & Internet	0.00		2,920.00	
<b>Grand total</b>		<b>50,714.40</b>	<b>50,714.40</b>	<b>402,118.79</b>	<b>402,118.79</b>

FIGURE 9.36 – Trial Balance

## REVISION EXERCISE 1

Glenn and Andrea Black own and operate a small business that buys, sells, and inventories a range of skiing equipment. They operate as a partnership and are registered for GST.

You are required to:

- Create a new MYOB data file.
- Make changes to the Chart of accounts (add, edit & delete)
- Enter opening General Ledger balances.
- Setup customer, supplier and inventory cards and enter opening balances.
- Record transactions for the month.
- Print or display reports for the month.

### *Create a new data file*

Business name: **Snow Time**  
 Trading name: **G & A Black**  
 ABN: **72 777 350 871**  
 Address: **175 Creek Road**  
**Falls Creek VIC 3699**  
 Phone: **5758 5555**  
 Current financial year: **202\_**  
 Last month of financial year: **June**  
 Opening balance date: **July**  
 Industry: **Retail**

### *Chart of accounts*

#### **Add Accounts**

Account No.	Account Name	Level	Tax Code
3-1001	Glenn Black	Header	
3-1010	Retained Earnings GB	Detail	N-T
3-1020	Current Earnings GB	Detail	N-T
3-1030	Drawings GB	Detail	N-T
3-2001	Andrea Black	Header	
3-2010	Retained Earnings AB	Detail	N-T
3-2020	Current Earnings AB	Detail	N-T
3-2030	Drawings AB	Detail	N-T
4-1500	Freight Income	Detail	GST
5-0300	Freight Costs	Detail	GST

**TABLE 9.4 – Add new accounts**

#### **Income allocation**

Allocate retained and current earnings 50% to each of the partners.

#### **Edit Accounts**

Account No.	Old Name	New Name	Level	Tax Code
1-1110	Business Bank Account #1	Business Bank Account	Detail	N-T
1-2110	Plant & Equipment	Plant & Equipment at cost	Detail	CAP
5-0100	Opening Stock/Inventory	Cost of sales	Detail	GST
5-0200	Closing stock/Inventory	Inventory Adjustments	Detail	N-T

**TABLE 9.5– Edit existing accounts**

## Other adjustments

- Make accounts 3-1000 and 3-2000 inactive.
- Delete Purchase Returns account.
- Activate and link  I charge freight on sales.
- Activate and link  I pay freight on purchases.

## Enter Opening Balances

Snow Time 175 Creek Road Falls Creek VIC 3699 5758 5555			
<b>Trial balance report</b>			
Jun 2022			
Account no	Account name	Debit (\$)	Credit (\$)
1-1110	Business Bank Account	17,480.00	
1-1200	Accounts Receivable	12,150.00	
1-1320	Inventory	26,500.00	
1-2110	Plant & Equipment at cost	24,700.00	
1-2120	Accum. Depr. Plant & Equipment		6,850.00
2-1140	Accounts Payable		12,515.00
2-1212	GST Balance		3,945.00
3-1010	Retained Earnings GB		28,760.00
3-2010	Retained Earnings AB		28,760.00
<b>Grand total</b>		<b>80,830.00</b>	<b>80,830.00</b>

FIGURE 9.37 – Opening Balances

## Set Up Customer & Supplier Cards & Enter Opening Balances

Layout for sales and purchases – Services and items

Contact type	Customer	Customer	Supplier	Supplier
Name	Snow Ski Holidays	Cash Sales	Snow Sports Pty Ltd	South Face
Address	101 Bridge Road Richmond VIC 3121		390 Rush Street Baldwyn VIC 3103	93 Campbell Street Ivanhoe VIC 3079
ABN			31 426 749 002	38 119 484 356
Terms	Net 14 days	COD	Net 30 days	Net 30 days
Invoice number	3120		3396	9457
PO number			1919	1920
Date	7/06/202_		19/06/202_	26/06/202_
Amount incl. tax	\$12,150		\$8,005	\$4,510

TABLE 9.6 – Customer & Supplier card details

## Set Up Inventory Items

We buy/sell and track stock.

Item ID	SSK100	SKB100	SKP100
Name	Snow Skis	Ski Boots	Ski Poles
Selling Price (excluding GST)	\$1,300	\$1,000	\$90
Buying & Selling Unit of measure	Pair (1)	Pair (1)	Pair (1)
Tax Code when buying & selling	GST	GST	GST
Minimum stock level	25	25	25
Primary supplier for reorders	Snow Sports	South Face	Snow Sports
Default reorder quantity	25	25	25

TABLE 9.7 – Inventory items

Item ID	SSK100	SKB100	SKP100
Quantity on Hand	20	17	60
Unit Cost (excluding GST)	\$715	\$550	\$47.50
Value of Inventory on Hand	\$14,300	\$9,350	\$2,850

**TABLE 9.8 – Inventory opening balances**

### **Transactions**

Buying and selling prices are GST exclusive, unless otherwise stated. The ‘minimum level for restocking alert’ is 20 and the ‘default reorder quantity’ is 20 for all new items.

- 1/07/202\_ Cash sale of 1 pair Snow Skis @ \$1,300.00, 1 pair Ski Poles @ \$90, invoice no. 3122. The invoice was paid by EFTPOS direct into our bank.
- 2/07/202\_ Purchase order no. 1922 sent to Snow Sports Pty Ltd for 10 x Snowboards (SNB100) @ \$385.00 each and 10 pairs of Snowboard Boots (SNB200) @ \$275.00 each. These new items will sell for \$700.00 and \$500 each, respectively.
- 3/07/202\_ Purchase order no. 1923 sent to Protection Plus of 79 Sunset Street, Greenacre NSW 2190 for 25 x Goggles (SPG100) @ \$137.50 each, 25 x Helmets (SPH100) @ \$110.00 each and 25 x Gloves (SPG200) @ \$55.00 pair. These new items will sell for \$250, \$200, and \$100, respectively.
- 5/07/202\_ Order no. 6627 received from Mountain Lake Resort, Lakeview Crescent, Bogong VIC 3699 to be delivered as soon as possible. The order is for 4 pairs Snow Skis @ \$1,300.00, 4 pairs Ski Boots @ \$1,000.00, 4 pairs Ski Poles @ \$90.00, 4 x Helmets @ \$200.00 each and 4 x Goggles @ \$250.00 each. We are to invoice and deliver what we can and place the other items on backorder for delivery as soon as available. Give this new customer a discount of 2.5% on this order. Terms net 14 days.

**Tip:** Create a sales order for all the items. When you convert it to an invoice and discover you do not have sufficient of some items on hand, change the quantity for the two items you cannot supply to zero and record. Then create the invoice for the items you can supply on the order. Create another sales order for the items you are unable to supply. Remember to give them the discount.

- 8/07/202\_ Cash sale of 1 pair Ski Poles @ \$90.00 each. Customer paid by EFTPOS.
- 10/07/202\_ Received invoice no. 3405 (PO no. 1922) for \$7,315.00 from Snow Sports Pty Ltd, together with all the items ordered. A freight charge of \$50.00 was added to the invoice.
- 12/07/202\_ Received invoice no. 1023 (PO no.1923) for \$8,428.75 from Protection Plus (ABN 08 178 336 723) together with all the goods ordered. A freight charge of \$100.00 was added. Terms net 14 days.
- 15/07/202\_ Snow Ski Holidays returned 1 pair Ski Poles that was invoiced to them on invoice no. 3120 dated 7/06/202\_. They ordered too many. Prepare an adjustment note for \$99.00 including GST.
- 16/07/202\_ Delivered the items on backorder to Mountain Lake Resort. Generate an invoice for them and add a freight charge of \$20 to the invoice.
- 18/07/202\_ Cash sale of 2 pairs of gloves @ \$100.00 a pair. Customer paid by EFTPOS.
- 19/07/202\_ Check ‘Reorder low stock items’ and create orders for all items on that list. Before you do that make sure you have updated all the new items to include restocking information. After creating the POs locate them and change the date on the order(s) to 19/07/202\_.

- 22/07/202\_ Invoice Snow Ski Holidays for 2 pairs Snow Skis, 2 pairs Ski Boots, 2 pairs Ski Poles, 2 x Helmets, 2 x Goggles and 4 pairs of Gloves. Add a freight charge of \$50.00.
- 24/07/202\_ Received 18 x Snowboards @ \$385.00 each and 5 pairs Snowboard boots @ \$275.00 each from Snow Sports Pty Ltd together with their invoice no. 3452 for \$9,223.50 which includes a \$80.00 freight charge. The balance of the order has been placed on backorder to be delivered as soon as stocks are available.
- 26/07/202\_ Received the 25 pairs of Ski Boots @ \$550.00 each ordered from South Face together with their invoice no. 9533 for \$14,671.25. They gave us a discount of 3% on this purchase.
- 30/07/202\_ Cash sale of 1 Snowboarders Special. Customer paid by EFTPOS. This promotional item includes – 1 x Snowboard, 1 pair Snowboard Boots and 1 x Helmet, all discounted by 10%.

### ***End of Month Stocktake***

The owners have done a manual stocktake and these are the physical quantities on hand at the 31/07/202\_.

<b>Stock on hand</b> <b>Snow Time</b> 175 Creek Road Falls Creek VIC 3699			
Item ID	Item name	On hand	Count
SKB100	Ski Boots	36	36
SKP100	Ski Poles	53	52
SNB100	Snowboards	27	27
SNB200	Snowboard Boots	14	14
SPG100	Goggles	19	18
SPG200	Gloves	19	18
SPH100	Helmet	18	18
SSK100	Snow Skis	13	13

**FIGURE 9.38 – Inventory Count Sheet**

### ***Reports***

#### **Inventory**

- Items register - expanded (1/07/202\_ to 31/07/202\_)
- Reorder

#### **Sales**

- Sales register (1/07/202\_ to 31/07/202\_)

#### **Business**

- Profit and loss (1/7/202\_ to 31/07/202\_)

**Items register report**  
01 Jul 2022 - 31 Jul 2022

Item number	Item name					Quantity changed		Amount (\$)	On hand	Current value (\$)
<b>SIB100 Ski Boots</b>										
Date	Transaction source	Reference no.	Memo	Starting quantity	Quantity changed			Amount (\$)	On hand	Current value (\$)
01/07/2022	Inventory	000001	Opening balances	0	17			3,350.00	17	3,350.00
05/07/2022	Sale	3128	Sale; Mountain Lake Resort	17	-4			(2,200.00)	13	2,150.00
16/07/2022	Sale	3127	Sale; Mountain Lake Resort	13	0			0.00	13	2,150.00
22/07/2022	Sale	3129	Sale; Snow Ski Holidays	13	-2			(1,100.00)	11	6,090.00
26/07/2022	Purchase	00001930	Purchase; South Face	11	25			13,317.50	36	19,387.50
<b>Total</b>					<b>36</b>			<b>19,387.50</b>		
<b>SIP100 Ski Poles</b>										
Date	Transaction source	Reference no.	Memo	Starting quantity	Quantity changed			Amount (\$)	On hand	Current value (\$)
01/07/2022	Sale	3122	Sale; Cash Sales	0	-1			(47.50)	-1	(47.50)
01/07/2022	Inventory	000001	Opening balances	-1	60			2,850.00	59	2,802.50
05/07/2022	Sale	3124	Sale; Mountain Lake Resort	59	-4			(190.00)	55	2,612.50
08/07/2022	Sale	3125	Sale; Cash Sales	55	-3			(47.50)	54	2,565.00
15/07/2022	Sale	3126	Sale; Snow Ski Holidays	54	1			47.50	55	2,612.50
16/07/2022	Sale	3127	Sale; Mountain Lake Resort	55	0			0.00	55	2,612.50
22/07/2022	Sale	3129	Sale; Snow Ski Holidays	55	-2			(95.00)	53	2,517.50
31/07/2022	Inventory	000002	Stocktake adjustments	53	-1			(47.50)	52	2,470.00
24/07/2022	Purchase	00001928	Purchase; Snow Sports Pty Ltd	10	18			6,930.00	28	10,780.00
30/07/2022	Sale	3130	Sale; Cash Sales	28	-1			(385.00)	27	10,395.00
<b>Total</b>					<b>27</b>			<b>10,395.00</b>		
<b>SIN200 Snowboard Boots</b>										
Date	Transaction source	Reference no.	Memo	Starting quantity	Quantity changed			Amount (\$)	On hand	Current value (\$)
10/07/2022	Purchase	00001924	Purchase; Snow Sports Pty Ltd	0	10			2,750.00	10	2,750.00
24/07/2022	Purchase	00001926	Purchase; Snow Sports Pty Ltd	10	5			1,375.00	15	4,125.00
30/07/2022	Sale	3130	Sale; Cash Sales	15	-1			(275.00)	14	3,850.00
<b>Total</b>					<b>14</b>			<b>3,850.00</b>		
<b>SPB100 Goggles</b>										
Date	Transaction source	Reference no.	Memo	Starting quantity	Quantity changed			Amount (\$)	On hand	Current value (\$)
05/07/2022	Sale	3124	Sale; Mountain Lake Resort	0	0			0.00	0	0.00
12/07/2022	Purchase	00001925	Purchase; Protection Plus	0	25			3,437.50	25	3,437.50
16/07/2022	Sale	3127	Sale; Mountain Lake Resort	25	-4			(550.00)	21	2,887.50
22/07/2022	Sale	3129	Sale; Snow Ski Holidays	21	-2			(275.00)	19	2,612.50
31/07/2022	Inventory	000002	Stocktake adjustments	19	-1			(137.50)	18	2,475.00
<b>Total</b>					<b>18</b>			<b>2,475.00</b>		
<b>SPG200 Gloves</b>										
Date	Transaction source	Reference no.	Memo	Starting quantity	Quantity changed			Amount (\$)	On hand	Current value (\$)
12/07/2022	Purchase	00001925	Purchase; Protection Plus	0	25			1,375.00	25	1,375.00
18/07/2022	Sale	3128	Sale; Cash Sales	25	-2			(110.00)	23	1,265.00
22/07/2022	Sale	3129	Sale; Snow Ski Holidays	23	-4			(220.00)	19	1,045.00
31/07/2022	Inventory	000002	Stocktake adjustments	19	-1			(55.00)	18	990.00
<b>Total</b>					<b>18</b>			<b>990.00</b>		
<b>SPH100 Helmets</b>										
Date	Transaction source	Reference no.	Memo	Starting quantity	Quantity changed			Amount (\$)	On hand	Current value (\$)
05/07/2022	Sale	3124	Sale; Mountain Lake Resort	0	0			0.00	0	0.00
12/07/2022	Purchase	00001925	Purchase; Protection Plus	0	25			2,750.00	25	2,750.00
16/07/2022	Sale	3127	Sale; Mountain Lake Resort	25	-4			(680.00)	21	2,310.00
22/07/2022	Sale	3129	Sale; Snow Ski Holidays	21	-2			(220.00)	19	2,090.00
30/07/2022	Sale	3130	Sale; Cash Sales	19	-1			(110.00)	18	1,980.00
<b>Total</b>					<b>18</b>			<b>1,980.00</b>		
<b>SSK100 Snow Skin</b>										
Date	Transaction source	Reference no.	Memo	Starting quantity	Quantity changed			Amount (\$)	On hand	Current value (\$)
01/07/2022	Sale	3122	Sale; Cash Sales	0	-1			(715.00)	-1	(715.00)
01/07/2022	Inventory	000001	Opening balances	-1	20			14,300.00	19	13,585.00
05/07/2022	Sale	3124	Sale; Mountain Lake Resort	19	-4			(2,860.00)	15	10,725.00
16/07/2022	Sale	3127	Sale; Mountain Lake Resort	15	0			0.00	15	10,725.00
22/07/2022	Sale	3129	Sale; Snow Ski Holidays	15	-2			(1,400.00)	13	9,325.00
24/07/2022	Purchase	00001928	Purchase; Snow Sports Pty Ltd	13	0			0.00	13	9,295.00
<b>Total</b>					<b>13</b>			<b>9,295.00</b>		
<b>Grand total</b>									<b>196</b>	<b>50,842.50</b>

FIGURE 9.39 – Items Register [Detail]

									Snow Time 175 Creek Road Falls Creek VIC 3699 5758 5555
<b>Reorder report</b>									
Item ID	Item name	Primary supplier	On hand	On order with supplier	Committed to customer	Available	Minimum stock level	Unit of measure	Order quantity
SPG100	Goggles	Protection Plus	18	0	0	18	20	Each (I)	20 Each
SPG200	Gloves	Protection Plus	18	0	0	18	20	Pair (I)	20 Pair
SPH100	Helmets	Protection Plus	18	0	0	18	20	Each (I)	20 Each

FIGURE 9.40 – Inventory Reorder

								Snow Time 175 Creek Road Falls Creek VIC 3699 5758 5555
<b>Sales register report</b>								
01 Jul 2022 - 31 Jul 2022								
Date	Invoice No.	Customer PO No.	Customer name	Total amount (\$)	Amount due (\$)	Status		
01/07/2022	3122		Cash Sales	1,529.00	0.00	Closed		
05/07/2022	3124	3699	Mountain Lake Resort	10,253.10	10,253.10	Open		
08/07/2022	3125		Cash Sales	99.00	0.00	Closed		
15/07/2022	3126		Snow Ski Holidays	(99.00)	0.00	Closed		
16/07/2022	3127	3699	Mountain Lake Resort	1,952.50	1,952.50	Open		
18/07/2022	3128		Cash Sales	220.00	0.00	Closed		
22/07/2022	3129		Snow Ski Holidays	6,743.00	6,743.00	Open		
30/07/2022	3130		Cash Sales	1,386.00	0.00	Closed		
<b>Total</b>				<b>22,083.60</b>	<b>18,948.60</b>			

FIGURE 9.41 – Sales register

		Snow Time 175 Creek Road Falls Creek VIC 3699 5758 5555
<b>Profit and loss report</b>		
Accrual mode		
01 Jul 2022 - 31 Jul 2022		
		<b>Total</b>
<b>4-0000 Income</b>		
4-1400 Sales		20,006.00
4-1500 Freight Income		70.00
<b>Total Income</b>		<b>20,076.00</b>
<b>5-0000 Cost Of Sales</b>		
5-0100 Cost of Sales		11,222.50
5-0200 Inventory Adjustments		240.00
5-0300 Freight Costs		230.00
<b>Total Cost Of Sales</b>		<b>11,692.50</b>
<b>Gross Profit</b>		<b>8,383.50</b>
<b>Operating Profit</b>		<b>8,383.50</b>
<b>Net Profit</b>		<b>8,383.50</b>

FIGURE 9.42 – Profit and loss

## REVISION EXERCISE 2

Kate Hopkins owns and operates a shoe distributorship buying and selling a range of men's, ladies', and children's shoes. Individual shoe styles and sizes are ignored in this exercise. Kate operates as a sole trader, using the trading name *Boots n All* and is registered for GST.

You are required to:

- Create a new MYOB data file.
- Make changes to the Chart of accounts (add, edit & delete)
- Enter opening General Ledger balances.
- Setup customer, supplier and inventory cards and enter opening balances.
- Record transactions for the month.
- Print or display reports for the month.

### *Create a new data file*

Business name: **Boots n All**  
ABN: **26 339 100 656**  
Address: **19 Roberts Road**  
**Pakenham VIC 3810**  
Phone: **8357 9990**  
Current financial year: **202\_**  
Last month of financial year: **June**  
Opening balance date: **July**  
Industry: **Wholesale trade**

### *Chart of accounts*

#### **Add accounts**

Account No.	Account Name	Level	Tax Code
1-1321	Inventory - Children's Shoes	Detail	N-T
1-1322	Inventory - Ladies' Shoes	Detail	N-T
1-1323	Inventory - Men's Shoes	Detail	N-T
1-2120	Accum. Depr. Warehouse Equipment	Detail	N-T
5-3000	Freight Expense	Detail	N-T

**TABLE 9.9 – Add accounts**

#### **Edit accounts**

Account No.	Old Name	New Name	Level	Tax Code
1-1110	Bank Account 1	Business Bank Account	Detail	N-T
1-2110	Warehouse Equipment @ Cost	Fixed Asset	Detail	CAP
2-1510	Trade Creditors	Accounts Payable	Detail	N-T
3-1000	Personal Income	Owner's Capital	Detail	N-T
3-2000	Personal Expenses	Owner's Drawings	Detail	N-T
4-5005	Other Income	Freight Income	Detail	GST
5-2000	Purchases	Cost of Sales	Detail	GST

**TABLE 9.10 – Edit accounts**

#### **Other adjustments**

- Activate and link  I charge freight on sales- 4-5005.
- Activate and link  I pay freight on purchases – 5-3000.

## Enter opening balances

Boots n All 19 Roberts Road Pakenham VIC 3810 8357 9990			
<b>Trial balance report</b>			
Jun 2022			
Account no	Account name	Debit (\$)	Credit (\$)
1-1110	Business Bank Account	25,900.00	
1-1200	Accounts Receivable	46,100.00	
1-1321	Inventory - Children's Shoes	16,875.00	
1-1322	Inventory - Ladies' Shoes	40,800.00	
1-1323	Inventory - Men's Shoes	37,260.00	
1-2110	Warehouse Equipment @ Cost	45,000.00	
1-2120	Accum. Depr. Warehouse Equipment		17,200.00
2-1140	Accounts Payable		39,900.00
2-1212	GST		3,300.00
3-1000	Owner's Capital		151,535.00
<b>Grand total</b>		<b>211,935.00</b>	<b>211,935.00</b>

FIGURE 9.43 – Opening Balances

## Set Up Customer & Supplier Cards & Enter Opening Balances

Layout for sales and purchases – Services and items

Contact type	Customer	Customer	Supplier	Supplier
Name	Best Shoes	Kings Footwear	Italian Imports	Brazilian Shoes
Address	25 George Street Melbourne VIC 3000	110 Flinders Street Melbourne VIC 3000	79 Orchid Road Parramatta NSW 2150	GPO Box 250 Sydney NSW 2001
ABN			92 108 922 081	11 005 505 522
Terms	Net 30 days	Net 30 days	Net 30 days	Net 30 days
Invoice number	820	822	1029 (PO No.1001)	5603 (PO No.1007)
Date	19/06/202_	28/06/202_	5/06/202_	26/06/202_
Amount Incl. Tax	\$26,100	\$20,000	\$24,700	\$15,200

TABLE 9.11 – Customer & Supplier card details

## Set Up Inventory Items

Item ID	C100	L100	M100
Name	Children's Shoes	Ladies' Shoes	Men's Shoes
I Buy/I Sell/I Inventory	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
Asset account	1-1321	1-1322	1-1323
Selling price (including GST)	\$90	\$160	\$180
Income account	4-1400	4-1400	4-1400
Cost of sales account	5-2000	5-2000	5-2000
Buying & Selling Unit of Measure	Pair (1)	Pair (1)	Pair (1)
Tax Code when buying & selling	GST	GST	GST
Minimum stock level	100	250	200
Default reorder quantity	100	250	200
On hand	370	492	394
Amount	\$16,875	\$40,800	\$37,260

TABLE 9.12 – Inventory items

**Note:** All the inventory items use the same sale and purchase accounts, but they are linked to separate inventory asset accounts. No primary supplier has been used because the business buys equally from both suppliers.

No unit cost has been provided because MYOB will work this out for you when you enter the total value of inventory on hand into the amount column, instead of entering a unit cost (see figure 9.44).

The screenshot shows the 'Adjust inventory' window in MYOB. At the top, there are fields for 'Inventory journal number' (1000001), 'Date' (01/07/2022), and 'Transaction description' (Opening balances). There is also a checkbox for 'EOBY adjustment'. Below this is a table with the following data:

Item ID*	Name	Current	Adjustment	New on hand	Unit cost (\$)	Amount (\$)	Account*	Job	Memo
C100	Children's Shoes	0	370	370	45.608108	16,875.00	1-1321 Invent		
L100	Ladies' Shoes	0	492	492	82.926829	40,800.00	1-1322 Invent		
M100	Men's Shoes	0	294	294	94.568528	27,760.00	1-1323 Invent		
		0							

FIGURE 9.44 – Opening inventory entry

### Transactions

All selling prices include GST and buying prices exclude GST unless otherwise stated.

- 1/07/2022\_ Credit sale to Best Shoes (Invoice no. 823) of 40 pairs of children's shoes @ \$90.00 per pair, 70 pairs of ladies' shoes @ \$160.00 per pair and 60 pairs of men's shoes @ \$180.00 per pair. Customer order no. 7077.
- 3/07/2022\_ Cash sale to new customer (Crown Shoes, Casino Shopping Centre, Falcon Street, South Melbourne, VIC 3205), who will be given credit terms of net 30 days in the future but are required to pay cash this time. Invoice no. 824 is for 200 pairs of ladies' shoes @ \$140 per pair, and 150 pairs of men's shoes @ \$160 per pair. The customer paid by cheque, which was banked today.
- 5/07/2022\_ Purchase order no. 1008 sent to Italian Imports for 250 pairs of ladies' shoes @ \$75.00 per pair and 200 pairs of men's shoes @ \$85.00 per pair.
- 9/07/2022\_ Crown Shoes have returned 1 pair of men's shoes that are faulty. They have requested that a replacement pair be sent to them. Prepare an invoice that shows the return of the shoes, and the replacement shoes. The total for this invoice will be zero. The shoes will be returned to our supplier (Italian Imports) so you do not need to write them off.
- 10/07/2022\_ Received adjustment note no. 11120 from Italian Imports for the pair of faulty men's shoes returned to them. These shoes were purchased in June at a cost of \$80.00 (PO no. 1001).
- 15/07/2022\_ Received the goods ordered on purchase order no. 1008 from Italian Imports with invoice no. 11122 for \$42,020.00 which includes a freight charge of \$200. Prices have risen, the ladies' shoes cost \$80.00 per pair and the men's shoes \$90.00 per pair.
- 17/07/2022\_ Invoiced Kings Footwear for 120 pairs of children's shoes @ \$90.00 per pair. A freight charge of \$33.00 was added because they required urgent delivery by courier. Customer order no. 3390.
- 22/07/2022\_ Kate (the owner) has decided to increase the selling prices of all items due to the increase in price by the suppliers. Adjust the prices to:
  - Children's shoes \$95.00
  - Ladies' shoes \$165.00
  - Men's shoes \$185.00

- 23/07/202\_ A heavy rainstorm caused the gutters to overflow into the warehouse. Some items were not salvageable, and some were only slightly damaged. Kings Footwear has agreed to take the slightly damaged items at heavily reduced prices, the remainder must be written off.
- a) Prepare an invoice for Kings Footwear for:
- 20 pairs of children's shoes @ \$40.00 per pair
  - 38 pairs of ladies' shoes @ \$60.00 per pair
- b) Write off:
- 11 pairs of ladies' shoes
  - 42 pairs of men's shoes
- 24/07/202\_ Sent a purchase order to Brazilian Shoes for 100 pairs of children's shoes @ \$45.00 per pair, 80 pairs of ladies' shoes @ \$75.00 per pair, and 50 pairs of men's shoes @ \$85.00 per pair.
- 24/07/202\_ Purchase order sent to Italian Imports for 250 pairs of ladies' shoes @ \$85.00 per pair.
- 29/07/202\_ Credit sale to Crown Shoes (PO no. 3237) of 150 pairs of children's shoes @ \$95.00 per pair, 170 pairs of ladies' shoes @ \$165.00 per pair, and 180 pairs of men's shoes @ \$185.00 per pair. The customer was given 5% discount on each of the items because of the quantity purchased.
- 29/07/202\_ Receive a part delivery from Brazilian Shoes (PO no. 1011); the balance was put on backorder to be delivered as soon as available. Invoice no. 5560 for \$12,870.00 is for 70 pairs of children's shoes @ \$40.00 per pair, 80 pairs of ladies' shoes @ \$70.00 per pair, and 40 pairs of men's shoes @ \$80.00 per pair. A freight charge of \$100.00 was added to the invoice. Prices are less than expected due to an improved exchange rate.
- 30/07/202\_ Received the goods ordered on purchase order no. 1012 from Italian Imports. Invoice no. 11780 is for \$23,485.00 and includes a freight charge of \$100. Terms N30.
- 31/07/202\_ A physical stocktake done today found that there were 106 pairs of children's shoes, 582 pairs of ladies' shoes and 201 pairs of men's shoes. Check the computer records and adjust the inventory if necessary.

### Reports

- Inventory Stock on hand.
- Purchases Unpaid bills – expanded (31/07/2\_).
- Sales Sales register (1/07/2\_ to 31/07/2\_).
- Business Trial Balance (July).
- Business GST report (July)

Boots n All 19 Roberts Road Pakenham VIC 3810 8357 9990							
Stock on hand report							
Item ID	Item name	On hand	On order with supplier	Committed to customer	Available	Total value (\$)	Average cost (\$)
C100	Children's Shoes	106	30	0	136	4,496.17	42.04
L100	Ladies' Shoes	582	0	0	582	47,316.91	81.37
M100	Men's Shoes	201	10	0	211	18,047.57	89.79
Grand total						69,860.65	

FIGURE 9.45 – Stock on hand

## Unpaid bills report

31 Jul 2022

Supplier name	Supplier number	0 - 30	31 - 60	61 - 90	90+	Total due (\$)
Brazilian Shoes	*None	12,870.00	15,200.00	0.00	0.00	
<b>Reference number</b>	<b>Transaction date</b>	<b>0 - 30</b>	<b>31 - 60</b>	<b>61 - 90</b>	<b>90+</b>	<b>Total due (\$)</b>
1007	26/06/2022	0.00	15,200.00	0.00	0.00	15,200.00
00001013	29/07/2022	12,870.00	0.00	0.00	0.00	12,870.00
<b>Total</b>		<b>12,870.00</b>	<b>15,200.00</b>	<b>0.00</b>	<b>0.00</b>	<b>28,070.00</b>
<b>Ageing percent</b>		<b>45.85%</b>	<b>54.15%</b>	<b>0.00%</b>	<b>0.00%</b>	
Italian Imports	*None	65,505.00	24,612.00	0.00	0.00	
<b>Reference number</b>	<b>Transaction date</b>	<b>0 - 30</b>	<b>31 - 60</b>	<b>61 - 90</b>	<b>90+</b>	<b>Total due (\$)</b>
1001	05/06/2022	0.00	24,612.00	0.00	0.00	24,612.00
00001010	15/07/2022	42,020.00	0.00	0.00	0.00	42,020.00
00001015	30/07/2022	23,485.00	0.00	0.00	0.00	23,485.00
<b>Total</b>		<b>65,505.00</b>	<b>24,612.00</b>	<b>0.00</b>	<b>0.00</b>	<b>90,117.00</b>
<b>Ageing percent</b>		<b>72.69%</b>	<b>27.31%</b>	<b>0.00%</b>	<b>0.00%</b>	
<b>Grand total</b>		<b>78,375.00</b>	<b>39,812.00</b>	<b>0.00</b>	<b>0.00</b>	<b>118,187.00</b>

FIGURE 9.46 – Unpaid bills

## Sales register report

01 Jul 2022 - 31 Jul 2022

Date	Invoice No.	Customer PO No.	Customer name	Total amount (\$)	Amount due (\$)	Status
01/07/2022	823	7077	Best Shoes	25,600.00	25,600.00	Open
03/07/2022	824		Crown Shoes	52,000.00	0.00	Closed
09/07/2022	825		Crown Shoes	0.00	0.00	Closed
17/07/2022	826	3390	Kings Footwear	10,833.00	10,833.00	Open
23/07/2022	827		Kings Footwear	3,080.00	3,080.00	Open
29/07/2022	828	3237	Crown Shoes	71,820.00	71,820.00	Open
<b>Total</b>				<b>163,333.00</b>	<b>111,333.00</b>	

FIGURE 9.47 – Sales register

### Trial balance report

Jul 2022

Account no	Account name	Debit (\$)	Credit (\$)	YTD Debit (\$)	YTD Credit (\$)
1-1110	Business Bank Account	52,000.00		77,900.00	
1-1200	Accounts Receivable	111,333.00		157,433.00	
1-1321	Inventory - Children's Shoes		12,418.83	4,456.17	
1-1322	Inventory - Ladies' Shoes	6,556.91		47,356.91	
1-1323	Inventory - Men's Shoes		19,212.43	18,047.57	
1-2110	Warehouse Equipment @ Cost	0.00		45,000.00	
1-2120	Accum. Depr. Warehouse Equipment	0.00			17,200.00
2-1140	Accounts Payable		78,287.00		118,187.00
2-1212	GST		7,731.45		11,031.45
3-1000	Owner's Capital		0.00		151,535.00
4-1400	Sales		148,454.55		148,454.55
4-5005	Freight Income		30.00		30.00
5-2000	Cost of Sales	90,826.40		90,826.40	
5-3000	Freight Expense	400.00		400.00	
5-4000	Inventory Adjustments	5,017.95		5,017.95	
<b>Grand total</b>		<b>266,134.26</b>	<b>266,134.26</b>	<b>446,438.00</b>	<b>446,438.00</b>

FIGURE 9.48 – Trial Balance

### GST report

Accrual mode

01 Jul 2022 - 31 Jul 2022

Sales and income					
Code	Description	Rate (%)	Tax Inclusive (\$)	Tax Exclusive (\$)	Tax Collected (\$)
GST	Goods & Services Tax	10	163,333.00	148,484.55	14,848.45
<b>Total sales and income</b>			<b>163,333.00</b>	<b>148,484.55</b>	<b>14,848.45</b>
Purchases and expenses					
Code	Description	Rate (%)	Tax Inclusive (\$)	Tax Exclusive (\$)	Tax paid (\$)
GST	Goods & Services Tax	10	78,287.00	71,170.00	7,117.00
<b>Total purchases and expenses</b>			<b>78,287.00</b>	<b>71,170.00</b>	<b>7,117.00</b>
<b>Net total</b>			<b>85,046.00</b>	<b>77,314.55</b>	<b>7,731.45</b>

FIGURE 9.49 – GST report

## CHAPTER 10 - INTEGRATION

Integration brings together what you have learned in the Accounting, Banking, Sales, Purchases, and Inventory modules, with a few new transactions and areas we have not visited before. The Payroll and Job costing modules are treated more as standalone modules because they take time to set up and are therefore not included in this integration chapter, and anyway you have already paid the wages for June.

In these exercises you will be expected to start thinking like the accountant or bookkeeper that you aim to be, so instructions will be kept to a minimum and most transactions will be narrations only. You will be processing transactions for *Carry On Camping* that intertwine with the transactions covered in previous chapters. There is an option to mark end of year adjustments as such so that they can be identified easily and reversed. However, the adjustments we do are all the normal end of period type adjustments, therefore we will not use this feature. Finally, we will get to check out some of the features on the Dashboard.

### Transactions

#### Notes:

1. The selling price (computer generated price) is to be used unless an alternative price is given. All prices are GST exclusive unless otherwise stated.
2. In the payroll chapter the next cheque number in sequence at that time was used, therefore some of the cheque numbers used here will duplicate ones that have already been used. That is OK we will just pretend we are using two cheque books. Use the cheque number quoted.
3. Remove the tick from the box for 'Send remittance advice' when paying suppliers.

- 3/06/202\_ Sent cheque #184 for \$6,826.75 to Ozzie Trailblazers in payment of amounts owing to them for April and May, less prompt payment discount where applicable. Their credit terms are 5% 10/N30.
- 3/06/202\_ Cash Sale of 1 x OZSTV2 @ \$145.00 and 1 x ENFF38 @ \$975.00 both prices include GST. The customer paid by EFTPOS directly into our bank account.
- 3/06/202\_ Paid Commercial Realty the amount owing to them with cheque #185.
- 3/06/202\_ Transferred (electronically) \$8,000.00 from the investment account to the business bank account.
- 4/06/202\_ Received invoice #435/6 from Commercial Realty for the June rent. Total amount payable is \$3,850.00 including GST.
- 4/06/202\_ Received an order (PO #369) from Batavia Camping Gear of 16 Ocean Drive, Geraldton WA 6530 for 2 x OZHIK2; 1 x GMFEN6; 1 x OZB9PT; 2 x BKWCSB; 1 x AIRBDS and 1 x OZSTV2 to be delivered by June 20.
- 5/06/202\_ Received and paid the telephone/internet bill from Telstra for \$592.70 including GST with the Visa credit card.
- 8/06/202\_ The owner cashed cheque #186 for \$1,000.00 for his own personal use.
- 10/06/202\_ Received a cheque for \$4,768.00 from Woodbridge Primary School in part payment of the amount owing by them. The cheque has not yet been banked.
- 10/06/202\_ Check the 'Reorder low stock items' to see which items we need to order from Ozzie Trailblazers, Sleepover and Spinifex Group, and create purchase orders to be sent to them for the default reorder quantities. Remember the date on these purchase orders is 10/06/202\_, not the system date.

- 11/06/202\_ Received a cheque from Police Supply Dept for \$3,641.00 in payment of May invoices. The cheque has not yet been banked.
- 12/06/202\_ Purchase order sent to Gem Generators, 75 Foster St, Geelong VIC 3220 (ABN 72 377 259 303) for 5 x Cromtech 2.4kw generators (code for new item CROGEN) @ \$585.00 each. Their terms are net 30 days. The generators will sell for \$1,150.00 each. Link to 'other' sales and cost of sales. Minimum level for restocking alert and default reorder quantity is 5 for this item.
- 13/06/202\_ Cash sale of 1 x OZSTV2 @ \$145.00 including GST. The customer paid with cash which has not yet been banked. (Record the payment separately so that you can use the undeposited funds account.)
- 14/06/202\_ Credit sale to Police Supply Dept (PO #113927) of 2 x OZ12PT and 8 x BWCSB.
- 14/06/202\_ Purchased some postage stamps from Australia Post for \$55.00 including GST. these were paid from petty cash.
- 17/06/202\_ Deposited \$8,554.00 in the business bank account.
- 17/06/202\_ The order for Batavia Camping Gear is ready. Invoice them for the items ordered and add a freight charge of \$100. Terms N14.
- 18/06/202\_ Received the 10 airbeds @ \$28 each ordered from Spinifex together with their invoice #729 for \$330.00 including a freight charge of \$20.00. Edit the contact information for this supplier to include their address: 77 McCoy Street, Myaree, WA 6156, and phone number: 9310 2289. Terms: net 14 days.
- 18/06/202\_ Received 3 of the Cromtech generators ordered from Gem Generators, the remainder of the order will be delivered as soon as possible. Record the receipt of these inventory items together with invoice #5562 for \$2,062.50 including \$120.00 freight. Terms N30. Create a purchase order for the 2 on backorder.
- 19/06/202\_ Credit sale to Scout Shop (PO #631) of 6 x OZH1K2 @ \$120.00 each, 1 x CROGEN @ \$1,150.00 and 1 x GMFEN6 @ \$900.00.
- 21/06/202\_ Received all the items ordered from Ozzie Trailblazers together with their invoice #27524 for \$990.00 including a freight charge of \$50.00. The price of the OZtrail Double Burner stove has increased to \$85.00 each.
- 24/06/202\_ Received and banked a cheque for \$4,171.00 from Kalbarri General Store.
- 24/06/202\_ Received the 20 Black Wolf Campsite sleeping bags @ \$75 from Sleepover together with their invoice #2260 for \$1,650.00.
- 25/06/202\_ Scout Shop returned 1 x OZH1K2 from their PO #631 and our invoice #2248 because someone misread a figure on the order and delivered one more than they ordered. Issue an adjustment note.
- 25/06/202\_ Credit sale to Kangaroo Camping Gear (PO #773) of 6 x OZtrail Bungalow 9-Person Tents, 2 x OZtrail 12-Person Tents, 2 x OZtrail Hiker Tents and 2 x Hiker Packs. The customer was given a volume discount of 5% on this order, and a freight charge of \$80 was added. This sale will exceed the credit limit given to them, but they have promised to electronically transfer \$4,000 into our account tomorrow.
- 25/06/202\_ Received and banked a cheque for \$5,018.75 from Adventure Tours.
- 26/06/202\_ Received the electricity bill from Synergy for \$634.50 including GST, which the owner paid immediately with cheque #187.

- 26/06/202\_ Received adjustment note #733 for \$61.60 from Spinifex Group for 2 faulty single airbeds @ \$28.00 each, returned to them.
- 27/06/202\_ Received and banked a cheque for \$5,541.25 from Scout Shop. Check the discount availability.
- 28/06/202\_ The owner transferred \$7,000 electronically from the business bank account to the investment account.
- 28/06/202\_ The owner wrote cash cheque #188 for \$2,055.00 for his own personal use and to reimburse petty cash \$55.00.
- 28/06/202\_ Received notification that Outback Touring Company has gone into liquidation. Write the amount owing off as a bad debt using the allowance method and the services layout. Record the transaction and then apply the credit against the amount owing.

**Create invoice**

Customer\*  
Outback Touring Company

No ABN provided/No open quotes

Billing address  
205 Lakeside Drive  
Joondalup WA 6027  
Australia

Invoice number\* 2253  
Customer PO number  
Issue date\* 28/06/2023  
Due date\* 28/07/2023

VISA MASTERCARD AMEX Start getting paid online

Amounts are  Tax inclusive  Tax exclusive

Description	Account *	Amount (\$)	Job	Tax code *
Company in liquidation amount written off as bad debt	1-1201 Less Prov'n for Doubtful Debts	-3,357.00		GST

Notes to customer  Save as default

Subtotal -3,357.00  
Freight (\$) 0.00 GST  
Tax -305.18  
Total -3,357.00  
Amount paid (\$) 0.00  
Balance due -3,357.00

View PDF Email invoice Save as recurring Prefill from recurring Cancel Save and... Save

**FIGURE 10.1 – Write off bad debt**

- 30/06/202\_ Cheque #189 was used to purchase a new executive office desk from Morgan Office Furniture for the owner. The new desk cost \$2,200 and he received cash back of \$150 for the old desk. Both prices include GST. Use the Banking menu to record the purchase and sale of these assets. The cash has been put into petty cash. The old desk cost \$500 and had a written down value of \$90 at the time of sale.
- 30/06/202\_ Cheque #190 for \$1,463.00 was sent to Sleepover in payment of the amount owing to them for May.
- 30/06/202\_ Received a bill dated 30/06/202\_ from the Caltex Service Station, 610 Olga Road, Maddington, WA 6109 for fuel purchases for the motor vehicle during May and June. Total amount due on invoice 1009 is \$758.60 including GST. The ABN for this new supplier is 88 000 114 626 and the terms are net 10 days. Use the service layout for the supplier.

### **Additional Information - 30/06/202\_**

- Another physical stock count at 30/06/202\_ found that there was one OZHP65 missing and the BKWCSB that was missing in the previous stocktake has been found.
- Record the interest charges (FRE) to account 6-1600 Interest Expense, for June on the business loan account of \$125.65.



## Bank Reconciliations

- Prepare end of month bank reconciliations for both these accounts.

### BUSINESS BANK ACCOUNT STATEMENT (AS AT 30/06/202\_)

Date	Particulars	Debit	Credit	Balance
1/06/202_	Opening Balance			5,628.60 Cr
	Cheque #181	598.00		5,030.60 Cr
	EFT		264.00	5,294.60 Cr
3/06/202_	EFT		1,120.00	6,414.60 Cr
	Transfer		8,000.00	14,414.60 Cr
6/06/202_	Cheque #184	6,826.75		7,587.85 Cr
	Cheque #185	3,850.00		3,737.85 Cr
6/06/202_	EFT		957.00	4,694.85 Cr
7/06/202_	Cheque #191	679.98		4,014.87 Cr
8/06/202_	Cheque #186	1,000.00		3,014.87 Cr
9/06/202_	Cheque #184	2,114.55		900.32 Cr
	Cheque #185	1,035.10		134.78 Dr
17/06/202_	Loan repayment	750.00		884.78 Dr
	Deposit		8,554.00	7,669.22 Cr
23/06/202_	Cheque #186	2,056.20		5,613.02 Cr
	Cheque #188	2,156.35		3,456.67 Cr
	Cheque #190	1,545.30		1,911.37 Cr
24/06/202_	Cheque #187	996.00		915.37 Cr
	Deposit		4,171.00	5,086.37 Cr
25/06/202_	Deposit		5,018.75	10,105.12 Cr
	Cheque #189	2,201.70		7,903.42 Cr
26/06/202_	Kangaroo Camping		4,000.00	11,903.42 Cr
	EFT		150.00	12,053.42 Cr
	Cheque #187	634.50		11,418.92 Cr
27/06/202_	Deposit		5,541.25	16,960.17 Cr
	EFT		1,265.00	18,225.17 Cr
28/06/202_	Cheque #188	2,055.00		16,170.17 Cr
	Transfer	7,000.00		9,170.17 Cr
29/06/202_	EFT	150.00		9,020.17 Cr
30/06/202_	Bank Fees	40.00		8,980.17 Cr
	Overdrawn interest	0.53		8,979.64 Cr

TABLE 10.1 – Business account bank statement

### BUSINESS INVESTMENT ACCOUNT BANK STATEMENT (AS AT 30/06/202\_)

Date	Particulars	Debit	Credit	Balance
1/06/202_	Opening Balance			15,039.80 Cr
3/06/202_	Transfer	8,000.00		7,039.80 Cr
30/06/202_	Transfer		7,000.00	14,039.80 Cr
30/06/202_	Interest		24.13	14,063.93 Cr

TABLE 10.2 – Investment account bank statement

## Reports

Display the following reports for June.

(In some reports you may have to click 'Reset' to get them to display as they should.)

- Purchases – Unpaid bills
- Sales – Unpaid invoices
- Inventory – Items List - Active items only
- Business – GST report
- Banking – Reconciliation Report
- Business – Profit & Loss (with % Sale analysis)
- Business – Balance Sheet
- Business – Trial Balance

Carry On Camping 1800 Albany Highway Maddington WA 6109 9459 1999						
<b>Unpaid bills report</b>						
30 Jun 2023						
Supplier name	Supplier number	0 - 30	31 - 60	61 - 90	90+	Total due (\$)
BP Drafting & Design	*None	792.00	0.00	0.00	0.00	792.00
Caltex Service Station	*None	758.60	0.00	0.00	0.00	758.60
Canvas Supply Co	*None	2,750.00	0.00	0.00	0.00	2,750.00
Commercial Realty	*None	3,850.00	0.00	0.00	0.00	3,850.00
Garmin & Co Australia	*None	0.00	2,926.00	0.00	0.00	2,926.00
Gem Generators	*None	2,062.50	0.00	0.00	0.00	2,062.50
Image Products	*None	550.00	0.00	0.00	0.00	550.00
Ozzie Trailblazers	*None	6,479.00	0.00	0.00	0.00	6,479.00
Sleepover	*None	3,168.00	0.00	0.00	0.00	3,168.00
Spinifex Group	*None	268.40	0.00	0.00	0.00	268.40
Tiger Welders	*None	1,045.00	0.00	0.00	0.00	1,045.00
<b>Grand total</b>		<b>21,723.50</b>	<b>2,926.00</b>	<b>0.00</b>	<b>0.00</b>	<b>24,649.50</b>

FIGURE 10.4 – Unpaid bills (Aged Payables)

Carry On Camping 1800 Albany Highway Maddington WA 6109 9459 1999						
<b>Unpaid invoices report</b>						
30 Jun 2023						
Customer name	Customer number	0 - 30	31 - 60	61 - 90	90+	Total due (\$)
Adventure Tours	*None	110.00	0.00	0.00	0.00	110.00
Batavia Camping Gear	*None	2,486.00	0.00	0.00	0.00	2,486.00
Down Under Tent Co	*None	6,209.50	0.00	0.00	0.00	6,209.50
Kalbarri General Store	*None	5,192.00	0.00	0.00	0.00	5,192.00
Kangaroo Camping Gear	*None	4,077.30	0.00	0.00	0.00	4,077.30
Police Supply Dept	*None	2,750.00	0.00	0.00	0.00	2,750.00
Scout Shop	*None	385.00	0.00	0.00	0.00	385.00
Woodbridge Primary School	*None	0.00	5,000.00	0.00	0.00	5,000.00
<b>Grand total</b>		<b>21,209.80</b>	<b>5,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>26,209.80</b>

FIGURE 10.5 – Unpaid invoices (Aged Receivables)

### Item list report

Item number	Item name	Supplier	Units on hand	Total value (\$)	Average cost (\$)	Current price (\$)
AIRBDS	Single airbed	Spinifex Group	8	224.00	28.00	50.00
BKWCSB	Sleeping Bag	Sleepover	27	1,993.85	73.85	130.00
CROGEN	Generator	Gern Generators	2	1,170.00	585.00	1,150.00
ENFF38	Fridge-Freezer	Engel Aust Pty Ltd	3	1,590.00	530.00	970.00
GMFEN6	Smartwatch	Garmin & Co Australia	2	1,120.00	560.00	990.00
OZ12PT	Family Tent	Ozzie Trailblazers	2	760.00	380.00	730.00
OZB9PT	Bungalow Tent	Ozzie Trailblazers	3	795.00	265.00	480.00
OZHIK2	Hiker Tent	Ozzie Trailblazers	3	195.00	65.00	120.00
OZHP65	Hike Pack	Ozzie Trailblazers	6	588.00	98.00	180.00
OZSTV2	Stove	Ozzie Trailblazers	16	1,330.00	83.12	140.00

FIGURE 10.6 – Items List

### GST report

Accrual mode  
 01 Jun 2023 - 30 Jun 2023

#### Sales and income

Code	Description	Rate (%)	Tax Inclusive (\$)	Tax Exclusive (\$)	Tax Collected (\$)
N-T	Not Reportable	0	(1,629.64)	(1,629.64)	0.00
GST	Goods & Services Tax	10	33,860.80	30,782.54	3,078.26
ITS	Input Taxed Sales	0	24.13	24.13	0.00
<b>Total sales and income</b>			<b>32,255.29</b>	<b>29,177.03</b>	<b>3,078.26</b>

#### Purchases and expenses

Code	Description	Rate (%)	Tax Inclusive (\$)	Tax Exclusive (\$)	Tax paid (\$)
N-T	Not Reportable	0	2,729.69	2,729.69	0.00
GST	Goods & Services Tax	10	23,151.45	21,046.78	2,104.67
CAP	Capital Acquisitions	10	2,200.00	2,000.00	200.00
FRE	GST Free	0	166.18	166.18	0.00
<b>Total purchases and expenses</b>			<b>28,247.32</b>	<b>25,942.65</b>	<b>2,304.67</b>
<b>Net total</b>			<b>4,007.97</b>	<b>3,234.38</b>	<b>773.59</b>

FIGURE 10.7 – GST report

## Bank reconciliation

30 Jun 2023

Account number	Account name	Date last reconciled	Last reconciled balance (\$)	Account balance (\$)
1-110	Business Bank Account	30/06/2023	8,979.64	5,316.64
<b>Reconciliation</b>				<b>Value (\$)</b>
Account balance on 30/06/2023				5,316.64
Add: Outstanding withdrawals				3,663.00
Subtotal				8,979.64
Deduct: Outstanding deposits				0.00
<b>Expected balance on bank statement</b>				<b>8,979.64</b>
<b>Outstanding withdrawals</b>				
Reference number	Transaction date	Description	Deposit (\$)	Withdrawal (\$)
189	30/06/2023	New office desk		2,200.00
190	30/06/2023	Payment; Sleepover		1,463.00
<b>Total</b>			<b>0.00</b>	<b>3,663.00</b>
<b>Reconciled withdrawals</b>				
Reference number	Transaction date	Description	Deposit (\$)	Withdrawal (\$)
181	22/05/2023	Spiriflex Group for 00002003		598.00
191	01/06/2023	May super contributions		679.98
184	03/06/2023	Payment; Ozzie Trailblazers		6,826.75
185	03/06/2023	Payment; Commercial Realty		3,850.00
184	08/06/2023	Pay employee; Andrew Jackson		2,114.55
185	08/06/2023	Pay employee; Linda Rogers		1,035.10
186	08/06/2023	Drawings		1,000.00
Bank	17/06/2023	Loan repayment		750.00
186	23/06/2023	Pay employee; Andrew Jackson		2,056.20
187	23/06/2023	Pay employee; Linda Rogers		996.00
188	23/06/2023	Pay employee; Craig Stone		2,156.35
189	23/06/2023	Pay employee; Peter Walker		2,201.70
190	23/06/2023	Pay employee; Samantha Wood		1,545.30
187	26/06/2023	Synerggr		634.50
TR000005	28/06/2023	Transfer to investment account		7,000.00
188	28/06/2023	Drawings & petty cash reimbursement		2,055.00
EFT	29/06/2023	Cash Sales: Credit from 2263		150.00
Bank	30/06/2023	Bank fees		40.00
Bank	30/06/2023	Overdrawn interest		0.53
<b>Total</b>			<b>0.00</b>	<b>35,689.96</b>
<b>Reconciled deposits</b>				
Reference number	Transaction date	Description	Deposit (\$)	Withdrawal (\$)
CR000012	01/06/2023	Cash Sales for 22322232	264.00	
CR000016	03/06/2023	Cash Sales for 22442244	1,120.00	
TR000003	03/06/2023	Transfer from investment account	8,000.00	
CR000013	06/06/2023	Cash Sales for 22342234	957.00	
TR000004	17/06/2023	Bank deposit	8,554.00	
CR000020	24/06/2023	Payment; Kalbarri General Store	4,171.00	
CR000021	25/06/2023	Payment; Adventure Tours	5,018.75	
CR000014	26/06/2023	Cash Sales for 22402240	150.00	
CR000024	26/06/2023	Payment; Kangaroo Camping Gear	4,000.00	
CR000015	27/06/2023	Cash Sales for 22412241	1,265.00	
CR000022	27/06/2023	Payment; Scout Shop	5,541.25	
<b>Total</b>			<b>39,041.00</b>	<b>0.00</b>
1-1120	Business Investment Account	30/06/2023	14,063.93	14,063.93
<b>Reconciliation</b>				<b>Value (\$)</b>
Account balance on 30/06/2023				14,063.93
Add: Outstanding withdrawals				0.00
Subtotal				14,063.93
Deduct: Outstanding deposits				0.00
<b>Expected balance on bank statement</b>				<b>14,063.93</b>
<b>Reconciled withdrawals</b>				
Reference number	Transaction date	Description	Deposit (\$)	Withdrawal (\$)
TR000003	03/06/2023	Transfer from investment account		8,000.00
<b>Total</b>			<b>0.00</b>	<b>8,000.00</b>
<b>Reconciled deposits</b>				
Reference number	Transaction date	Description	Deposit (\$)	Withdrawal (\$)
TR000005	28/06/2023	Transfer to investment account	7,000.00	
CR000025	30/06/2023	Interest earned for the month	24.13	
<b>Total</b>			<b>7,024.13</b>	<b>0.00</b>

FIGURE 10.8 – Reconciliation Reports

## Profit and loss report

Accrual mode  
 01 Jul 2022 - 30 Jun 2023

	Total	
	Actual	% Sales
<b>Income</b>		
Sales Tents	145,240.00	49
Sales Sleeping Equipment	21,631.23	7
Sales Kitchen Equipment	57,290.00	19
Sales Other	66,192.00	22
Service Income	3,570.00	1
Freight Income	1,630.00	1
Discount Received	568.50	0
Profit on sale of asset	86.36	0
Other Income	254.55	0
Interest Income	63.93	0
<b>Total Income</b>	<b>296,526.57</b>	<b>100.00%</b>
<b>Cost Of Sales</b>		
Stock/Inventory Adjustments	(1,544.85)	-1
Cost of Sales Tents	50,874.60	17
Cost of Sales Sleeping Equipment	12,357.64	4
Cost of Sales Kitchen Equipment	30,220.00	10
Cost of Sales Other	34,019.00	11
Freight Costs	1,200.00	0
Direct Labour	3,460.32	1
Subcontractors	1,670.00	1
Discount Allowed	458.41	0
<b>Total Cost Of Sales</b>	<b>132,715.12</b>	<b>44.76%</b>
<b>Gross Profit</b>	<b>163,811.45</b>	<b>55</b>
<b>Expenses</b>		
Accounting & Bookkeeping	900.00	0
Advertising & Marketing	5,100.00	2
Bad Debts	3,300.82	1
Bank Fees & Charges	250.00	0
Depreciation Expenses	4,567.78	2
Electricity Expenses	2,351.82	1
Insurance Expenses	5,340.00	2
Interest Expense	126.18	0
Motor Vehicle Expenses	4,800.04	2
<b>Payroll Expenses</b>		
Payroll - Wages & Salaries	79,680.66	27
Payroll- Superannuation	7,453.15	3
<b>Total Payroll Expenses</b>	<b>87,133.81</b>	<b>29.38%</b>
Postage & Stationery	683.45	0
Rent Expense	37,000.00	12
Repairs & Maintenance	1,160.00	0
Staff Amenities	245.41	0
Telephone & Internet	3,458.82	1
<b>Total Expenses</b>	<b>156,418.13</b>	<b>52.75%</b>
<b>Operating Profit</b>	<b>7,393.32</b>	<b>2</b>
<b>Net Profit</b>	<b>7,393.32</b>	<b>2</b>

FIGURE 10.9 – Profit & Loss (With % Sales)

## Balance sheet report

Accrual mode  
 30 Jun 2023

	Total
<b>Assets</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
Business Bank Account	5,316.64
Business Investment Account	14,063.93
Petty Cash/Cash on Hand	250.00
<b>Total Bank Accounts</b>	<b>19,630.57</b>
Accounts Receivable	26,209.80
Less Prov'n for Doubtful Debts	(524.00)
Inventory	9,765.85
Prepaid Advertising	3,000.00
<b>Total Current Assets</b>	<b>58,082.22</b>
<b>Non-Current Assets</b>	
<b>Furniture &amp; Equipment</b>	
Furniture & Equipment At Cost	12,900.00
Accum. Depr. Furniture & Equipment	(4,210.00)
<b>Total Furniture &amp; Equipment</b>	<b>8,690.00</b>
<b>Improvements</b>	
Improvements At Cost	5,000.00
Accum. Depr. Improvements	(4,064.00)
<b>Total Improvements</b>	<b>936.00</b>
<b>Motor Vehicles</b>	
Motor Vehicles At Cost	18,090.91
Accum. Depr. Motor Vehicles	(753.78)
<b>Total Motor Vehicles</b>	<b>17,337.13</b>
<b>Total Non-Current Assets</b>	<b>26,963.13</b>
<b>Total Assets</b>	<b>85,045.35</b>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Credit Cards</b>	
Visa	882.50
<b>Total Credit Cards</b>	<b>882.50</b>
Accounts Payable	24,649.50
<b>GST Liabilities</b>	
GST	726.43
<b>Total GST Liabilities</b>	<b>726.43</b>
PAYG Withholding Payable	4,746.12
Superannuation Payable	2,124.23
Wages & Salaries Payable	7,122.60
Union Fees Payable	54.00
Health Fund Payable	860.00
<b>Total Current Liabilities</b>	<b>41,165.38</b>
<b>Non Current Liabilities</b>	
Business Loan	13,025.65
<b>Total Non Current Liabilities</b>	<b>13,025.65</b>
<b>Total Liabilities</b>	<b>54,191.03</b>
<b>Net Assets</b>	<b>30,854.32</b>
<b>Equity</b>	
Owner's Capital	53,225.00
Owner's Drawings	(29,764.00)
Current Year Profit/(Loss)	7,393.32
<b>Total Equity</b>	<b>30,854.32</b>

FIGURE 10.10 – Balance Sheet

### Trial balance report

Jun 2023

Account no	Account name	Debit (\$)	Credit (\$)	YTD Debit (\$)	YTD Credit (\$)
1-1110	Business Bank Account	286.04		5,316.64	
1-1120	Business Investment Account		975.87	14,063.93	
1-1121	Petty Cash/Cash on Hand	150.00		250.00	
1-1200	Accounts Receivable	2,500.80		26,209.80	
1-1201	Less Prov'n for Doubtful Debts		379.00		524.00
1-1300	Inventory		934.15	9,765.85	
1-1310	Prepaid Insurance		444.00	0.00	
1-1311	Prepaid Advertising		600.00	3,000.00	
1-2110	Furniture & Equipment At Cost	1,500.00		12,900.00	
1-2120	Accum. Depr. Furniture & Equipment	305.00			4,210.00
1-2210	Improvements At Cost	0.00		5,000.00	
1-2220	Accum. Depr. Improvements		117.00		4,064.00
1-2310	Motor Vehicles At Cost	0.00		18,090.91	
1-2320	Accum. Depr. Motor Vehicles		376.89		753.78
2-1110	Visa		592.70		882.50
2-1140	Accounts Payable		9,410.50		24,649.50
2-1212	GST		773.59		726.43
2-1350	PAYG Withholding Payable		3,130.12		4,746.12
2-1355	Superannuation Payable		1,444.25		2,124.23
2-1360	Wages & Salaries Payable		5,446.60		7,122.60
2-1361	Union Fees Payable		54.00		54.00
2-1362	Health Fund Payable		860.00		860.00
2-2105	Business Loan	624.35			13,025.65
3-1000	Owner's Capital		0.00		53,225.00
3-2000	Owner's Drawings	3,000.00		29,764.00	
4-1400	Sales Tents		22,180.00		145,240.00
4-1500	Sales Sleeping Equipment		4,138.50		21,631.23
4-1600	Sales Kitchen Equipment		2,160.00		57,290.00
4-1700	Sales Other		4,432.00		66,192.00
4-2100	Service Income		350.00		3,570.00
4-2200	Freight Income		280.00		1,630.00
4-2300	Discount Received		157.50		568.50
4-5000	Profit on sale of asset		46.36		86.36
4-5005	Other Income		0.00		254.55
4-5006	Interest Income		24.13		63.93
5-0500	Stock/Inventory Adjustments		1,544.85		1,544.85
5-1400	Cost of Sales Tents	9,824.60		50,874.60	
5-1500	Cost of Sales Sleeping Equipment	2,324.00		12,357.64	
5-1600	Cost of Sales Kitchen Equipment	1,300.00		30,220.00	
5-1700	Cost of Sales Other	2,559.00		34,019.00	
5-2000	Freight Costs	450.00		1,200.00	
5-2130	Direct Labour	3,460.32		3,460.32	
5-2380	Subcontractors	1,670.00		1,670.00	
5-3000	Discount Allowed	132.50		458.41	
6-1110	Accounting & Bookkeeping	0.00		900.00	
6-1120	Advertising & Marketing	600.00		5,100.00	
6-1150	Bad Debts	3,430.82		3,300.82	
6-1160	Bank Fees & Charges	40.00		250.00	
6-1250	Depreciation Expenses	598.89		4,567.78	
6-1300	Electricity Expenses	576.82		2,351.82	
6-1500	Insurance Expenses	444.00		5,340.00	
6-1600	Interest Expense	126.18		126.18	
6-1700	Motor Vehicle Expenses	600.04		4,800.04	
6-4100	Payroll - Wages & Salaries	18,609.66		79,680.66	
6-4200	Payroll- Superannuation	1,650.17		7,453.15	
6-4280	Postage & Stationery	50.00		683.45	
6-4300	Rent Expense	3,500.00		37,000.00	
6-4320	Repairs & Maintenance	0.00		1,160.00	
6-4400	Staff Amenities	0.00		245.41	
6-4460	Telephone & Internet	538.82		3,458.82	
<b>Grand total</b>		<b>60,852.01</b>	<b>60,852.01</b>	<b>415,039.23</b>	<b>415,039.23</b>

FIGURE 10.11 – Trial Balance

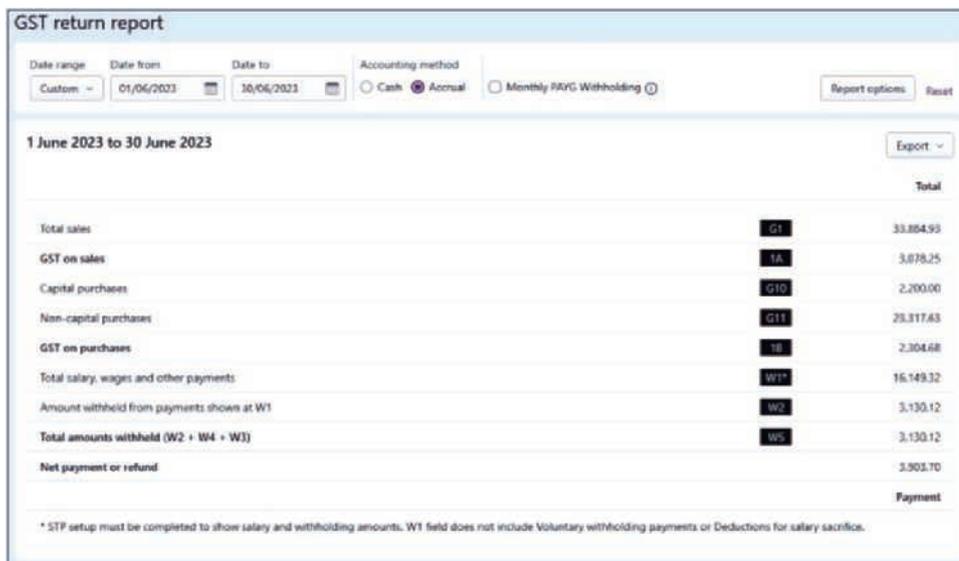
## Prepare Business Activity Statement

Business Activity Statements are part of business reporting requirements for all businesses that are registered for GST. As an accountant or bookkeeper, you will be required to either prepare or assist in the preparation of this report.

This business being a sole trader is most likely to report GST, PAYG Instalments and PAYG Withholding on a quarterly basis, but because we only started using MYOB in May we cannot produce a quarterly report, so a monthly one will be used to demonstrate this feature. We will assume the owner is not required to pay PAYG Instalments.

Go to the **Reporting** menu and *click* **GST return report**.

The window that will appear is the one displayed in figure 10.12. The date range should be from **01/06/202\_** to **30/06/202\_**. *Select* **Report options** and check that the radio buttons selected are for **GST inclusive** and **Cents**.



	Total	Payment
Total sales	33,884.93	
GST on sales	3,878.25	
Capital purchases	2,200.00	
Non-capital purchases	28,317.63	
GST on purchases	2,304.68	
Total salary, wages and other payments	16,149.32	
Amount withheld from payments shown at W1	3,130.12	
Total amounts withheld (W2 + W4 + W3)	3,130.12	
Net payment or refund	3,503.70	

\* STP setup must be completed to show salary and withholding amounts. W1 field does not include Voluntary withholding payments or Deductions for salary sacrifice.

FIGURE 10.12 – GST return report

Check the figures shown in this report against the GST report you displayed or printed earlier, and the payroll summary report. You will find that the amount at W2 agrees, but the amount shown at W1 differs from the report. The reason for the difference is the salary sacrifice super as this reduces the gross wage figure.

To actually prepare the BAS you go to the **Accounting** menu and *select* **Prepare BAS or IAS**. The window shown in figure 10.13 will appear.

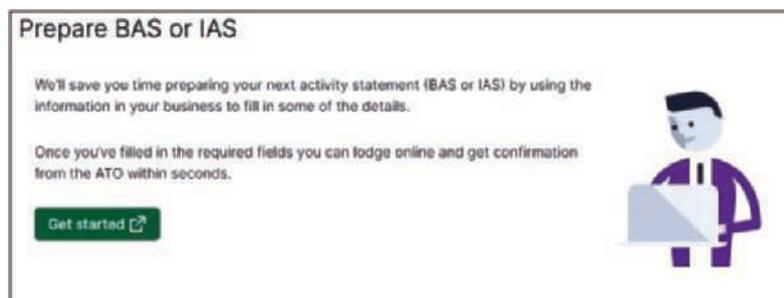


FIGURE 10.13 – Prepare BAS or IAS

We are not able to set up and lodge a BAS as the setup process involves providing the Australian Taxation Office with certain information and involves more authorisation than we have.

## Dashboard

This feature in MYOB aims at providing the business owner quick access to useful information such as - charts showing income and expenses for the current month (according to your system date), last month, or the last 6 months. Another section provides information on the amount of GST the business will have to pay, and another shows superannuation payable.

The last section, financial position, provides a graphic snapshot of how the business is tracking. Figure 10.14 is not very exciting, but it does provide quick access to information about the profitability of Carry On Camping for the financial year.



FIGURE 10.14 – Financial position

MYOB are constantly updating this software and what you see may be different from what I saw when writing this textbook. What is currently displaying is not as useful as what was displaying previously, which was, quick access to overdue invoices and overdue bills for follow up.

## REVISION EXERCISE 1

This business operates as a sole trader and buys and sells kitchen appliances. The owner has decided to use a MYOB computerised accounting system so that they can maintain accurate stock records using the perpetual inventory system that comes with MYOB.

You are required to:

- Create a new MYOB data file.
- Make changes to the Chart of accounts (add, edit & delete).
- Enter opening General Ledger balances.
- Setup customer, supplier and inventory cards and enter opening balances.
- Record transactions for the month.
- Print or display reports for the month.

### *Create a new data file*

Business name: **The Kitchen Shop**  
ABN: **21 037 228 874**  
Address: **153 Wentworth Street  
Sydney NSW 2000**  
Phone: **4682 3999**  
Current financial year: **202\_**  
Last month of financial year: **June**  
Opening balance date: **December**  
Industry: **Retail**

### *Set Up Chart of Accounts*

#### **Add Accounts**

Account No.	Account Name	Level	Tax Code
1-2000	Non-Current Assets	Header	
1-2120	Accum. Depr. Motor Vehicles	Detail	N-T
1-2200	Office Equipment	Header	
1-2210	Office Equipment @ Cost	Detail	CAP
1-2220	Accum Depr. Office Equipment	Detail	N-T
1-2300	Shop Fittings	Header	
1-2310	Shop Fittings @ Cost	Detail	CAP
1-2320	Accum. Depr. Shop Fittings	Detail	N-T
1-1300	Inventory	Detail	N-T
4-1500	Sales Appliances	Detail	GST
4-2000	Freight Income	Detail	GST
4-3000	Discount Received	Detail	GST
5-3000	Cost of Sales Appliances	Detail	GST
5-4000	Discount Given	Detail	GST
5-5000	Freight Expense	Detail	GST
5-6000	Inventory Adjustments	Detail	N-T
6-1300	Depreciation Expenses	Detail	N-T
6-1500	Insurance Expenses	Detail	GST
6-4300	Rent Expenses	Detail	GST

**TABLE 10.3 – Add accounts**

## Edit Accounts

Account No.	Old Name	New Name	Level	Tax Code
1-1110	Bank Account 1	Westpac Cheque Account	Detail	N-T
1-1120	Bank Account 2	Petty Cash/Cash on Hand	Detail	N-T
1-2100	Property, Plant & Equipment	Motor Vehicles	Header	
1-2110	Equipment...	Motor Vehicles @ cost	Detail	CAP
2-1110	Credit Card	Mastercard	Detail	N-T
3-1000	Personal Income	Owner's Capital	Detail	N-T
3-2000	Personal Expenses	Owner's Drawings	Detail	N-T
4-1400	Sales	Sales Whitegoods	Detail	GST
5-2000	Purchases	Cost of Sales Whitegoods	Detail	GST
6-1470	Freight, Courier & Postage	Electricity Expenses	Detail	GST
6-1640	Merchant Fees	Interest Expense	Detail	FRE
6-4280	Printing & Stationery	Printing, Postage & Stationery	Detail	GST

**TABLE 10.4 – Edit accounts**

### Activation and Linking

- Activate and link the sales accounts Freight Income 4-2000 and Discount Given 5-4000.
- Activate and link the purchase accounts Freight Expense 5-5000 and Discount Received 4-3000.

## Enter opening balances

The Kitchen Shop 153 Wentworth Street Sydney NSW 2000 4682 3999			
<b>Trial balance report</b>			
Nov 2022			
Account no	Account name	Debit (\$)	Credit (\$)
1-1110	Westpac Cheque Account	35,160.00	
1-1120	Petty Cash/Cash on Hand	200.00	
1-1200	Accounts Receivable	5,605.00	
1-1300	Inventory	16,760.00	
1-2110	Motor Vehicles @ cost	25,000.00	
1-2120	Accum. Depr. Motor Vehicles		18,350.00
1-2210	Office Equipment @ Cost	9,700.00	
1-2220	Accum. Depr. Office Equipment		3,270.00
1-2310	Shop Fittings @ Cost	38,890.00	
1-2320	Accum Depr. Shop Fittings		12,230.00
2-1110	Mastercard		650.00
2-1140	Accounts Payable		8,440.00
2-1212	GST		2,260.00
2-1350	PAYG Withholding Payable		2,360.00
2-1355	Superannuation Payable		675.00
2-2105	Business Loan		58,200.00
3-1000	Owner's Capital		34,315.00
3-2000	Owner's Drawings	10,000.00	
4-1400	Sales Whitegoods		118,050.00
4-1500	Sales Appliances		33,980.00
4-2000	Freight Income		200.00
4-3000	Discount Received		420.00
5-2000	Cost of Sales Whitegoods	61,380.00	
5-3000	Cost of Sales Appliances	17,670.00	
5-4000	Discount Given	275.00	
5-5000	Freight Expense	850.00	
5-6000	Inventory Adjustments	180.00	
6-1120	Advertising & Marketing	2,640.00	
6-1160	Bank Fees & Charges	50.00	
6-1300	Depreciation Expenses	4,390.00	
6-1470	Electricity Expenses	1,920.00	
6-1500	Insurance Expenses	890.00	
6-1640	Interest Expense	1,375.00	
6-1700	Motor Vehicle Expenses	1,540.00	
6-4100	Payroll - Wages & Salaries	39,000.00	
6-4200	Payroll- Superannuation	4,095.00	
6-4280	Printing, Postage & Stationery	160.00	
6-4300	Rent Expenses	15,000.00	
6-4460	Telephone & Internet	670.00	
<b>Grand total</b>		<b>293,400.00</b>	<b>293,400.00</b>

FIGURE 10.15 – Opening Balances

### Customers

Name	Custom Design	Park Village	Bondi Resort	Cash Sales
Address	23 Cooper Street Surry Hills NSW 2010	18 Stewart Street Moore Park NSW 2021	277 Blair Street Bondi NSW 2026	
Terms	Net 30 days	5% 10/Net 30 days	Net 30 days	COD
Invoice number	2596	2625	2620	
Date	21/10/202_	29/11/202_	26/11/202_	
Amount Incl. GST	\$1,530	\$2,790	\$1,285	

TABLE 10.5 – Customer cards

## Suppliers

Name	Breville Ltd	Fisher & Paykel Ltd	Westinghouse Ltd
Address	76 King Street, Adelaide SA 5000	299 Maklin Street, Surry Hills NSW 2010	18 Lake Street, Moorabbin VIC 3189
ABN	77 000 601 891	16 097 410 895	35 099 240 328
Terms	5% 10/Net 30 days	Net 30 days	Net 30 days
Invoice No.	27058 (PO #6303)	3789 (PO #6301)	21823 (PO #6304)
Date	26/11/202_	19/11/202_	27/11/202_
Amount Incl. GST	\$3,829	\$1,608	\$3,003

TABLE 10.6 – Supplier cards

## Inventory Items

Item ID	BCM10	FPM25	FPR35	WHR80
Name	Breville Coffee Machine	Fisher & Paykel Microwave	Fisher & Paykel Refrigerator	Westinghouse Refrigerator
I Buy/I Sell/I Inventory	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
Cost of sales account	5-3000	5-2000	5-2000	5-2000
Income account	4-1500	4-1400	4-1400	4-1400
Asset account	1-1300	1-1300	1-1300	1-1300
Buying & Selling unit of measure	Each (1)	Each (1)	Each (1)	Each (1)
Tax Code when bought and sold	GST	GST	GST	GST
Minimum stock level	10	10	5	5
Primary supplier	Breville Ltd	Fisher & Paykel	Fisher & Paykel	Westinghouse
Default reorder quantity	20	20	10	10
Selling price (including GST)	\$399	\$749	\$1,949	\$899
Quantity on Hand	10	12	5	8
Unit cost (excluding GST)	\$222.20	\$436	\$1,030	\$519.50
Value of Inventory on Hand	\$2,222	\$5,232	\$5,150	\$4,156

TABLE 10.7 – Inventory items

### Bank Reconciliation

(30/11/202\_)

Debit balance per cashbook	\$35,160
Add Outstanding Cheque 1920	<u>\$1,675</u>
Credit balance per bank statement	<u>\$36,835</u>

FIGURE 10.16 – Manual bank reconciliation

## Transactions

Accept the computer-generated tax inclusive selling prices and tax exclusive purchase prices unless advised otherwise. The business uses the 'asset' method to record prepayments.

- 1/12/202\_ Traded-in the old motor vehicle for \$9,000 (including GST) on a new motor vehicle costing \$33,000 (including GST) from Major Motors. The difference between the two was financed by extending the existing business loan. Record the resulting profit or loss and create new accounts as required.
- 2/12/202\_ Cheque #1923 paid Premium Insurance Group for business insurance. The amount of the cheque is \$2,440 and the insurance premium is made up of \$2,200 (including GST) and \$240 (GST Free). The premium is for the period 1/12/202\_ to 30/11/202\_. (New account 1-1960).

- 3/12/202\_ Credit sale to Bondi Resort (invoice #2627) 5 only Fisher & Paykel Microwaves @ \$749 each and 2 only Fisher & Paykel Refrigerators @ \$1949 each. Add a freight charge of \$110. Terms N30.
- 4/12/202\_ Cheque #1924 for \$3,637.55 was sent to Breville Ltd in payment of the amount owing to them for November.
- 5/12/202\_ Purchase order #6306 sent to Fisher & Paykel Ltd for 20 only Fisher & Paykel Microwaves @ \$436 each and 10 only Fisher & Paykel Refrigerators @ \$1,030 each.
- 6/12/202\_ Received and banked a \$2,650.50 cheque from Park Village in payment of their November account balance less prompt payment discount.
- 6/12/202\_ Purchase order sent to Breville Ltd for 20 only Breville Coffee Machines @ \$225 each, 20 only Breville Toasters @ \$60 each (New Stock Item); 20 only Breville Food Processors @ \$175 each (New Stock Item) and 20 Breville Kettles @ \$102 each (New Stock Item). Create the new stock items – selling price for BRTR2 Breville Toaster is \$119 each; the BFP12 Breville Food Processor is \$279 each, and the BRKT1 Breville Kettle is \$179 each. (Only the selling prices of these appliances are GST inclusive.)
- 9/12/202\_ Received order #1133 from Beachside Park Homes, 399 Ocean Drive, Tamarama, NSW 2026 for 10 only Fisher & Paykel Microwaves, 10 only Westinghouse Refrigerators, 10 only Breville Toasters, 10 Breville Kettles and 10 only Breville Coffee Makers. As this is a new customer, they have agreed to pay a deposit of \$5,000 which was deposited via EFTPOS today. This order is to be delivered on 19/12/202\_. Create a new account 2-1538 Customer Deposits and link it for sales.
- 10/12/202\_ Paid Snap Printing \$286 including GST, by Mastercard. This was for printing business cards.
- 12/12/202\_ Received the 20 only Fisher & Paykel Microwaves and 5 only Fisher & Paykel Refrigerators ordered from Fisher & Paykel Ltd (PO #6306) at the expected prices. The outstanding 5 only Fisher & Paykel Refrigerators have been put on backorder. A freight charge of \$150 has been added to their invoice #117 for \$15,422.00.
- 13/12/202\_ Wrote a cash cheque (#1925) for \$2,960 to pay the wages for the fortnight (gross \$3,550 less \$590 PAYG Withholding).
- 13/12/202\_ Purchased from a new supplier (Victor Appliances, ABN 32 109 786 899). Invoice #7530 is for 10 only Westinghouse Refrigerators @ \$600 each so that the order from Beachside Park Homes can be delivered on time. As a new customer, we were required to pay for the goods on delivery. Cheque #1926 for \$6,600.00 was used.
- 16/12/202\_ Received all the goods ordered from Breville Pty Ltd (PO #6307) together with invoice #27863 for \$12,639.00 including a freight charge of \$250.00.
- 16/12/202\_ Credit sale to Park Village of 5 only Fisher & Paykel Refrigerators @ \$1,949 each, 5 only Westinghouse Refrigerators @ \$899, 10 only Fisher & Paykel Microwaves @ \$749 each, 6 only Breville Kettles @ \$179 each and 3 only Breville Coffee Machines @ \$399 each. Add a freight charge of \$110. The customer was given a 2.5% volume discount.
- 17/12/202\_ Paid Telstra \$369.50, including GST, by Mastercard. This was for telephone expenses.
- 18/12/202\_ Sent cheque #1927 for \$7,500 to Fisher & Paykel Ltd in part payment of amounts owing.
- 19/12/202\_ Delivered all the items ordered by Beachside Park Homes today, as promised. Create an invoice and add a freight charge of \$110. Terms N14. Apply the deposit paid against this invoice.

- 19/12/202\_ Sent cheque #1928 for \$675.00 to Australian Super in payment of November superannuation.
- 20/12/202\_ Credit sale to Bondi Resort of 4 only Fisher & Paykel Microwaves @ \$749 each, 4 only Breville Coffee Machines @ \$399 each and 3 only Breville Food Processors @ \$249 each. Add a freight charge of \$110. Terms N14.
- 23/12/202\_ Received and banked a cheque for \$22,335.44 from Park Village in payment of all amounts owed by them.
- 24/12/202\_ Cash sale of 1 only promotional Kitchen Starter Pack. The customer paid by EFTPOS. The pack comprises: 1 only Westinghouse Fridge; 1 only Fisher & Paykel Microwave; 1 only Breville Coffee Maker; 1 only Breville Toaster; 1 only Breville Kettle and 1 only Breville Food Processor. Its selling price is \$2,430.40 including GST after a discount of 15% on all items.
- 27/12/202\_ Wrote a cash cheque (#1929) for \$5,460 to pay the wages for the fortnight (gross \$3,550 less \$590 PAYG Withholding) and \$2,500 drawings for the owner.
- 30/12/202\_ An Adjustment Note was issued to Bondi Resort for 1 only Breville Food Processor that was damaged beyond repair in transit. Write it off.
- 31/12/202\_ Paid Westinghouse Ltd by cheque #1930 all amounts owing.

### ***End of Month Adjustments***

- Shop Fittings are depreciated at 15% per annum and Office Equipment at 25% per annum, both using the prime cost (straight line) method. Motor Vehicles are depreciated at 25% per annum using the diminishing value (reducing balance) method. Calculate and journalise the depreciation for the month, round all amounts to the nearest dollar.
- Transfer 1 month's insurance expense from prepaid insurance to the insurance expense account.
- Record wages accrued for the month of \$710.
- Record superannuation payable for the month of \$745.50.
- The bank statement for the Westpac cheque account shows a closing balance of \$36,843.79 and includes bank charges of \$10.00 (FRE) and a loan repayment of \$1,250.00. Cheque #1930 has not yet been presented at the bank.
- The bank statement for the business loan account shows a balance of \$81,326.75 and a charge of \$376.75 (FRE) for interest.

Custom Design has advised the owner that they have been declared bankrupt. The owner decides to write off the balance owed by them as a bad debt. Use the 'direct write-off method'.

A manual stock-take at the end of the month showed the following quantities of inventory on hand:

<u>Item</u>	<u>Quantity on Hand</u>
BCM10	12
BFP12	16
BRKT1	2
BRTR2	9
FPM25	2
FPR35	3
WHR80	2

**TABLE 10.8 – Stock on hand**

## Reports

Print or display the following reports for December.

- Purchases - Payables reconciliation with tax
- Sales - Receivables reconciliation with tax
- Inventory – Stock on hand
- Business – GST report
- Business - Profit and loss
- Business - Balance Sheet

The Kitchen Shop 153 Wentworth Street Sydney NSW 2000 4682 3999		
<hr/>		
<b>Payables reconciliation with tax report</b>		
31 Dec 2022		
<b>Name</b>	<b>Amount outstanding (\$)</b>	<b>Tax outstanding (\$)</b>
Breville Ltd	12,639.00	1,149.00
Fisher & Paykel Ltd	9,530.00	866.36
<b>Total</b>	<b>22,169.00</b>	<b>2,015.36</b>
<b>Payables account</b>	<b>22,169.00</b>	
<b>Out of balance amount</b>	<b>0.00</b>	

FIGURE 10.17 –Payables reconciliation with tax

The Kitchen Shop 153 Wentworth Street Sydney NSW 2000 4682 3999		
<hr/>		
<b>Receivables reconciliation with tax report</b>		
31 Dec 2022		
<b>Name</b>	<b>Amount outstanding (\$)</b>	<b>Tax outstanding (\$)</b>
Beachside Park Homes	18,560.00	1,687.27
Bondi Resort	14,238.00	1,294.36
<b>Total</b>	<b>32,798.00</b>	<b>2,981.63</b>
<b>Receivables account</b>	<b>32,798.00</b>	
<b>Out of balance amount</b>	<b>0.00</b>	

FIGURE 10.18 –Receivables reconciliation with tax

### Stock on hand report

Item ID	Item name	On hand	On order with supplier	Committed to customer	Available	Total value (\$)	Average cost (\$)
BCM10	Breville Coffee Machine	12	0	0	12	2,688.79	224.07
BFP12	Breville Food Processor	16	0	0	16	2,800.00	175.00
BRK1	Breville Kettle	2	0	0	2	204.00	102.00
BRK2	Breville Toaster	9	0	0	9	540.00	60.00
FPM25	Fisher & Paykel Microwave	2	0	0	2	872.00	436.00
FPR35	Fisher & Paykel Refrigerator	3	5	0	8	3,090.00	1,830.00
WH80	Westinghouse Refrigerator	2	0	0	2	1,128.45	564.23
<b>Grand total</b>						<b>11,823.24</b>	

FIGURE 10.19 – Inventory Value Reconciliation

### GST report

Accrual mode  
01 Dec 2022 - 31 Dec 2022

#### Sales and income

Code	Description	Rate (%)	Tax Inclusive (\$)	Tax Exclusive (\$)	Tax Collected (\$)
N-T	Not Reportable	0	1,531.82	1,531.82	0.00
GST	Goods & Services Tax	10	62,445.84	56,768.96	5,676.88
<b>Total sales and income</b>			<b>63,977.66</b>	<b>58,300.78</b>	<b>5,676.88</b>

#### Purchases and expenses

Code	Description	Rate (%)	Tax Inclusive (\$)	Tax Exclusive (\$)	Tax paid (\$)
N-T	Not Reportable	0	(10,824.93)	(10,824.93)	0.00
CAP	Capital Acquisitions	10	33,000.00	30,000.00	3,000.00
GST	Goods & Services Tax	10	31,361.55	28,510.50	2,851.05
FRE	GST Free	0	626.75	626.75	0.00
<b>Total purchases and expenses</b>			<b>54,163.37</b>	<b>48,312.32</b>	<b>5,851.05</b>
<b>Net total</b>			<b>9,814.29</b>	<b>9,988.46</b>	<b>(174.17)</b>

FIGURE 10.20 – GST report

## Profit and loss report

Accrual mode  
 01 Jul 2021 - 31 Dec 2022

	<b>Total</b>
<b>Income</b>	
Sales Whitegoods	163,237.78
Sales Appliances	44,987.13
Freight Income	600.00
Discount Received	594.05
Profit on sale of asset	1,531.82
<b>Total Income</b>	<b>210,950.78</b>
<b>Cost Of Sales</b>	
Cost of Sales Whitegoods	90,697.55
Cost of Sales Appliances	24,622.21
Discount Given	1,470.50
Freight Expense	1,250.00
Inventory Adjustments	-457.00
<b>Total Cost Of Sales</b>	<b>118,497.26</b>
<b>Gross Profit</b>	<b>92,453.52</b>
<b>Expenses</b>	
Advertising & Marketing	2,640.00
Bad Debts	1,390.91
Bank Fees & Charges	60.00
Depreciation Expenses	5,703.00
Electricity Expenses	1,920.00
Insurance Expenses	1,076.67
Interest Expense	1,751.75
Motor Vehicle Expenses	1,540.00
<b>Payroll Expenses</b>	
Payroll - Wages & Salaries	46,810.00
Payroll- Superannuation	4,840.50
<b>Total Payroll Expenses</b>	<b>51,650.50</b>
Printing, Postage & Stationery	-420.00
Rent Expenses	15,000.00
Telephone & Internet	1,005.91
<b>Total Expenses</b>	<b>84,158.74</b>
<b>Operating Profit</b>	<b>8,294.78</b>
<b>Net Profit</b>	<b>8,294.78</b>

FIGURE 10.21 – Profit and loss

## Balance sheet report

Accrual mode  
 31 Dec 2022

	Total
<b>Assets</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
Westpac Cheque Account	33,840.79
Petty Cash/Cash on Hand	200.00
<b>Total Bank Accounts</b>	<b>34,040.79</b>
Accounts Receivable	32,798.00
Inventory	11,323.24
Prepaid Expenses	2,053.33
<b>Total Current Assets</b>	<b>80,215.36</b>
<b>Non-Current Assets</b>	
<b>Motor Vehicles</b>	
Motor Vehicles @ cost	30,000.00
Accum. Depr. Motor Vehicles	(625.00)
<b>Total Motor Vehicles</b>	<b>29,375.00</b>
<b>Office Equipment</b>	
Office Equipment @ Cost	9,700.00
Accum. Depr. Office Equipment	(3,472.00)
<b>Total Office Equipment</b>	<b>6,228.00</b>
<b>Shop Fittings</b>	
Shop Fittings @ Cost	38,890.00
Accum Depr. Shop Fittings	(12,716.00)
<b>Total Shop Fittings</b>	<b>26,174.00</b>
<b>Total Non-Current Assets</b>	<b>61,777.00</b>
<b>Total Assets</b>	<b>141,992.36</b>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Credit Cards</b>	
Mastercard	1,305.50
<b>Total Credit Cards</b>	<b>1,305.50</b>
Accounts Payable	22,169.00
<b>GST Liabilities</b>	
GST	2,085.83
<b>Total GST Liabilities</b>	<b>2,085.83</b>
PAYG Withholding Payable	3,540.00
Superannuation Payable	745.50
Wages & Salaries Payable	710.00
<b>Total Current Liabilities</b>	<b>30,555.83</b>
<b>Non Current Liabilities</b>	
Business Loan	81,326.75
<b>Total Non Current Liabilities</b>	<b>81,326.75</b>
<b>Total Liabilities</b>	<b>111,882.58</b>
<b>Net Assets</b>	<b>30,109.78</b>
<b>Equity</b>	
Owner's Capital	34,315.00
Owner's Drawings	(12,500.00)
Current Year Profit/(Loss)	8,294.78
<b>Total Equity</b>	<b>30,109.78</b>

FIGURE 10.22 – Balance sheet

## REVISION EXERCISE 2

This is a small business that buys, sells, and installs water features. The owner Dean Jones operates as a sole trader and is registered for GST.

You are required to:

- Create a new MYOB data file.
- Make changes to the Chart of accounts.
- Enter opening General Ledger balances.
- Setup customer, supplier and inventory cards and enter opening balances.
- Record transactions for the month.
- Print or display reports for the month.

### *Create a new data file*

Business name:	<b>Harmony Water Features</b>
ABN:	<b>54 791 778 335</b>
Address:	<b>59 Royal Street Kenwick WA 6109</b>
Phone:	<b>9459 2295</b>
Current financial year:	<b>202_</b>
Last month of financial year:	<b>June</b>
Opening balance date:	<b>January</b>
Industry:	<b>Retail</b>

### *Chart of accounts*

Add/edit accounts based on the trial balance shown in figure 10.21.  
Activate and link sales and purchases accounts for freight and discount.

## Enter opening balances

Harmony Water Features  
59 Royal Street  
Kenwick WA 6109  
9459 2295

---

**Trial balance report**  
Dec 2022

Account no	Account name	Debit (\$)	Credit (\$)
1-1110	Bankwest Cheque Account	15,710.00	
1-1120	Cash Management Account	4,990.00	
1-1130	Petty Cash/Cash on Hand	300.00	
1-1200	Accounts Receivable	9,860.00	
1-1300	Inventory	10,740.00	
1-1400	Prepaid Advertising	800.00	
1-2110	Equipment @ Cost	59,820.00	
1-2120	Accum. Depr. Equipment		20,180.00
1-2210	Motor Vehicles @ Cost	19,900.00	
1-2220	Accum. Depr. Motor Vehicles		4,664.00
2-1110	Visa		2,320.00
2-1140	Accounts Payable		8,700.00
2-1212	GST		946.00
3-1000	Owner's Capital		85,473.00
3-2000	Owner's Drawings	10,400.00	
4-1400	Sales Income		47,500.00
4-1500	Services Income		13,800.00
4-1600	Freight Income		730.00
4-1700	Discount Received		145.00
4-5005	Interest Income		77.00
5-2000	Cost of Sales	27,550.00	
5-3000	Subcontractors	2,300.00	
5-4000	Freight Expense	870.00	
5-5000	Discount Given	45.00	
5-6000	Inventory Adjustments	320.00	
6-1110	Accounting & Bookkeeping	1,000.00	
6-1120	Advertising & Marketing	600.00	
6-1160	Bank Fees & Charges	110.00	
6-1210	Depreciation Expenses	6,662.00	
6-1470	Electricity Expenses	713.00	
6-1640	Insurance Expenses	1,170.00	
6-1700	Motor Vehicle Expenses	865.00	
6-4280	Postage & Stationery	140.00	
6-4300	Rent Expenses	9,000.00	
6-4320	Repairs & Maintenance	50.00	
6-4460	Telephone & Internet	620.00	
<b>Grand total</b>		<b>184,535.00</b>	<b>184,535.00</b>

FIGURE 10.23 – Opening Balances

### Customers

Name	Creative Landscaping	Magic Garden Supplies	Complete Building Services	Cash Sales
Address	177 Armadale Rd Armadale WA 6112	82 Garden St Rockingham WA 6168	140 Canning Hwy South Perth WA 6151	
Credit terms	Net 14 days	Net 14 days	Net 14 days	COD
Invoice number	1159	1162	1164	
Invoice date	6/12/202_	10/12/202_	16/12/202_	
Amount Incl. GST	\$2,580	\$3,110	\$4,170	

TABLE 10.9 – Customer cards

## Suppliers

Name	Jade Importers	Sparkling Stones	May Agencies
Address	53 High Rd Fremantle WA 6160	77 Sunset St Canning Vale WA 6155	1172 Nepean Hwy Cheltenham VIC 3192
ABN	41 369 248 116	33 401 303 208	90 505 644 554
Terms	Net 30 days	Net 30 days	5% 10 /net 30 days
Invoice number	3749 (PO #8196)	4323 (PO #8194)	10095 (PO #8198)
Invoice date	11/12/202_	9/12/202_	23/12/202_
Amount Incl. GST	\$7,190	\$380	\$1,130

TABLE 10.10 – Supplier cards

## Inventory

Item ID	CMPOT	WWALL	STONE	PUMPS
Name	Ceramic Pots	Water Wall	Polished Stones	Water Pump
I Buy, Sell & Inventory Items	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
Selling price (excl. GST)	\$140	\$1,800	\$70	\$115
Asset account	1-1300	1-1300	1-1300	1-1300
Income account	4-1400	4-1400	4-1400	4-1400
Cost of sales account	5-2000	5-2000	5-2000	5-2000
Buying & Selling Unit of Measure	Each (1)	Each (1)	Bag (1)	Each (1)
Tax code when bought & sold	GST	GST	GST	GST
Minimum stock level	50	10	100	10
Primary supplier	Jade Importers	Jade Importers	Sparkling Stones	May Agencies
Default reorder quantity	100	20	200	20
Quantity on Hand	65	5	30	12
Unit Cost (excl. GST)	\$60	\$960	\$40	\$70
Value of Inventory on Hand	\$3,900	\$4,800	\$1,200	\$840

TABLE 10.11 – Inventory items

<u>Bank Reconciliation</u> (as at 31/12/202_)	
Debit balance per cash book	\$ 15,710.00
Add: Outstanding cheques	
243	3,120.00
244	<u>2,920.00</u>
	<u>6,040.00</u>
Credit balance per bank statement	\$ <u>21,750.00</u>

FIGURE 10.24 – Manual bank reconciliation

## Transactions

All unit costs/prices and freight charges are GST exclusive unless otherwise stated. The business uses the 'asset' method for recording prepayments.

- 3/01/202\_ Check 'Reorder low stock items' to see which inventory item(s) require reordering and then create purchase order(s) to the preferred supplier(s). Find the POs and change the date to 3/01/202\_.
- 4/01/202\_ Cash sale (Invoice #1170) of 2 ceramic pots @ \$155 each including GST. The customer paid by EFTPOS.
- 6/01/202\_ Sent cheque #245 for \$3,000.00 to Jade Importers in part payment of the amount owing.

- 6/01/202\_ Credit sale to Magic Garden Supplies of 1 water wall, 15 ceramic pots and 25 bags of polished stones. Add a freight charge of \$50.00.
- 7/01/202\_ Received and banked a cheque for \$2,580.00 from Creative Landscaping.
- 7/01/202\_ A client purchased a water wall from us some time ago and is having a problem with it leaking. An investigation revealed that the pond area required resealing. This task has now been completed. Create an invoice for Julie Andrews of 6 Acorn Place, Nedlands, WA, 6009 for 4 hours labour @ \$120 per hours including GST. She has been given terms of net 14 days. Set up a new item 'Labour' that is 'sell' only and linked to the services income account.
- 8/01/202\_ Magic Garden Supplies returned 3 ceramic pots that were excess to their requirements. Create an adjustment note for these. They have been returned to inventory.
- 10/01/202\_ Received a bill from Ian Jackson of 17 Falls Road, Lesmurdie WA 6076 the subcontractor who did the work on Mrs Andrews' water wall. His invoice #279 is for \$440.00 including GST. His ABN is 70 050 160 481. Terms net 10 days.
- 13/01/202\_ Received the 200 bags of polished stones ordered from Sparkling Stones together with their invoice #4320 for \$8,822.00. Price per bag is \$40.00 and a freight charge of \$20.00 was included on the invoice.
- 13/01/202\_ Made a cash purchase from Plastic Industries of 52 Howe Street, Osborne Park, WA 6017 (ABN 22 131 722 599) of 1,000 metres of black PVC piping (new inventory code BPVCP) at 60c per metre and 10 fibre glass moulded ponds (new inventory code FGMP1) at \$275.00 each. Set a reorder point of 100 for the PVC piping which will sell for \$1.00 per metre. Set a reorder point of 5 for the ponds which will sell for \$490.00 each. Invoice #3772 for \$3,685.00 was paid for with cheque #246.
- 14/01/202\_ Received the 20 water walls @ \$960 each ordered from Jade Importers together with their invoice #3767 for \$21,208.00. A freight charge of \$80 was added.
- 14/01/202\_ Sent a purchase order to May Agencies for 10 water pumps @ \$70.00 each.
- 14/01/202\_ Sent a purchase order to Jade Importers for 100 ceramic pots @ \$60 each.
- 15/01/202\_ Received and paid the rent bill for \$1,650.00 including GST from Drake Real Estate with cheque #247.
- 16/01/202\_ Received a cheque for \$4,170.00 from Complete Building Services. This has not yet been banked.
- 18/01/202\_ Cash sales to various customers of 10 ceramic pots. One customer paid by EFTPOS; all the other customers paid with cash. The cash has not yet been banked.
- 20/01/202\_ Received all the pots ordered from Jade Importers on 14/01/202\_ together with their invoice #3817 for \$7,238.00 including a freight charge of \$80.00. The price of the ceramic pots has increased to \$65.00 each.
- 20/01/202\_ Banked \$5,556.00.
- 21/01/202\_ A customer returned 1 ceramic pot that she has discovered has a flaw in it. She was the one who paid by EFTPOS, so she was given a refund by EFTPOS. Write the pot off as it cannot be sold.

- 21/01/202\_ Sent a purchase order to Jade Importers for 20 solar fountains (new inventory code SOFNT) at \$225.00 each and 20 natural rock fountains (new inventory code NRFNT) at \$270.00 each. These items will sell for \$500.00 and \$600.00 each, respectively. Set a reorder point of 5 for the fountains.
- 22/01/202\_ Cash sale to Infinity Landscaping of the following special water feature deal:  
6 ceramic pots, 2 fibre glass moulded pond, 2 water pump, 20 metres black PVC piping, and 8 bags of polished stones.  
  
The normal selling prices are reduced by 15% on all items. The customer paid by cheque, which has not yet been banked.
- 22/01/202\_ Cash sale of 1 water wall to Charles Marlow to be installed by us at his residence. Invoice him for the water wall, 15 metres of black PVC piping, 1 water pump and 5 hours of labour. (Create as tax inclusive to avoid a rounding problem with the labour rate per hour) The customer paid with a cheque which has not yet been banked.
- 23/01/202\_ Purchase some stationery from Officeworks for \$155.60 including GST. This was paid for out of petty cash.
- 24/01/202\_ Received the 10 water pumps ordered from May Agencies together with their invoice #10123 for \$858.00 including a freight charge of \$80.00.
- 24/01/202\_ Credit sale to Complete Building Services (PO #3427) of 10 ceramic pots.
- 25/01/202\_ Banked \$5,182.05.
- 25/01/202\_ Purchased fuel for the vehicle to the value of \$89.00 including GST from the Gull Service Station and paid for it with Visa.
- 27/01/202\_ Received from Jade Importers 10 of the solar fountains ordered (the balance will be delivered when available) and 20 natural rock fountains. Their invoice #3824 is for \$8,503.00 including a freight charge of \$80.00.
- 28/01/202\_ Complete Building Services returned 1 ceramic pot that had broken in transit because there was a fault in it. Issue an adjustment to the customer and then adjust inventory to remove the item that is no longer saleable.
- 29/01/202\_ Cash sale of 1 solar fountain and 1 natural rock fountain which the customer paid for by EFTPOS.
- 31/01/202\_ Purchased a new laser printer for the office (equipment) from Officeworks for \$890.00 including GST. This was paid for with Visa.
- 31/01/202\_ Paid May Agencies with cheque #248 all amounts owing to them after discount.
- 31/01/202\_ \$7,000 was transferred electronically from the cheque account to the cash management account.

### ***End of Month Adjustments – 31/01/202\_***

- A stocktake undertaken at the end of the month revealed that there were 2 bags of stones missing. Adjust inventory for the missing items.
- Depreciation for the month is 25% pa on motor vehicles (diminishing value method) and 15% pa on equipment (prime cost method). \$2,176 has been recorded to date for motor vehicle depreciation. Round to the nearest dollar.
- The balance remaining in prepaid advertising is for two months of advertising. Record the amount to be expensed for January.
- Interest earned on the cash management account for the month is \$14.55. The balance at 31/01/202\_ was \$12,004.55.

- Reconcile the cheque account. The bank statement balance as at 31/01/202\_ was \$15,203.05.
  - Bank fees were \$10.00.
  - Cheque #248 has not yet been presented.

### Reports

Print or display the following reports for January:

- Purchases – Unpaid bills
- Sales – Unpaid invoices
- Inventory – Item list
- Business – GST report
- Business – Trial Balance
- Banking – Banking reconciliation

Harmony Water Features 59 Royal Street Kenwick WA 6109 9459 2295						
<b>Unpaid bills report</b>						
31 Jan 2023						
Supplier name	Supplier number	0 - 30	31 - 60	61 - 90	90+	Total due (\$)
Ian Jackson	*None	440.00	0.00	0.00	0.00	440.00
Jade Importers	*None	36,949.00	4,190.00	0.00	0.00	41,139.00
Sparkling Stones	*None	8,822.00	380.00	0.00	0.00	9,202.00
<b>Grand total</b>		<b>46,211.00</b>	<b>4,570.00</b>	<b>0.00</b>	<b>0.00</b>	<b>50,781.00</b>

FIGURE 10.25 – Unpaid bills

Harmony Water Features 59 Royal Street Kenwick WA 6109 9459 2295						
<b>Unpaid invoices report</b>						
31 Jan 2023						
Customer name	Customer number	0 - 30	31 - 60	61 - 90	90+	Total due (\$)
Complete Building Services	*None	1,386.00	0.00	0.00	0.00	1,386.00
Julie Andrews	*None	480.00	0.00	0.00	0.00	480.00
Magic Garden Supplies	*None	5,808.00	3,110.00	0.00	0.00	8,918.00
<b>Grand total</b>		<b>7,674.00</b>	<b>3,110.00</b>	<b>0.00</b>	<b>0.00</b>	<b>10,784.00</b>

FIGURE 10.26 – Unpaid invoices

### Item list report

Item number	Item name	Supplier	Units on hand	Total value (\$)	Average cost (\$)	Current price (\$)
BPVCP	PVC Piping	Plastic Industries	965	579.00	0.60	1.00
CM POT	Ceramic Pots	Jade Importers	125	7,943.26	63.55	140.00
FGMP1	Ponds	Plastic Industries	8	2,200.00	275.00	490.00
Labour	Labour			0.00		120.00
NRFNT	Natural Rock Fountain	Jade Importers	19	5,130.00	270.00	600.00
PUMPS	Water Pump	May Agencies	19	1,330.00	70.00	115.00
SOFNT	Solar Fountain	Jade Importers	9	2,025.00	225.00	500.00
STONE	Polished Stones	Sparkling Stones	195	7,800.00	40.00	70.00
WWALL	Water Wall	Jade Importers	23	22,080.00	960.00	1,800.00

FIGURE 10.27 – Item list

### GST report

Accrual mode  
01 Jan 2023 - 31 Jan 2023

#### Sales and income

Code	Description	Rate (%)	Tax Inclusive (\$)	Tax Exclusive (\$)	Tax Collected (\$)
GST	Goods & Services Tax	10	15,804.95	14,368.13	1,436.82
ITS	Input Taxed Sales	0	14.55	14.55	0.00
<b>Total sales and income</b>			<b>15,819.50</b>	<b>14,382.68</b>	<b>1,436.82</b>

#### Purchases and expenses

Code	Description	Rate (%)	Tax Inclusive (\$)	Tax Exclusive (\$)	Tax paid (\$)
N-T	Not Reportable	0	6,040.00	6,040.00	0.00
GST	Goods & Services Tax	10	52,648.60	47,862.36	4,786.24
CAP	Capital Acquisitions	10	890.00	809.09	80.91
FRE	GST Free	0	10.00	10.00	0.00
<b>Total purchases and expenses</b>			<b>59,588.60</b>	<b>54,721.45</b>	<b>4,867.15</b>
<b>Net total</b>			<b>(43,769.10)</b>	<b>(40,338.77)</b>	<b>(3,430.33)</b>

FIGURE 10.28 – GST report

### Trial balance report

Jan 2023

Account no	Account name	Debit (\$)	Credit (\$)	YTD Debit (\$)	YTD Credit (\$)
1-1110	Bankwest Cheque Account		2,452.05	13,257.95	
1-1120	Cash Management Account	7,014.55		12,004.55	
1-1130	Petty Cash/Cash on Hand		155.60	144.40	
1-1200	Accounts Receivable	924.00		10,784.00	
1-1300	Inventory	38,347.26		49,087.26	
1-1400	Prepaid Advertising		400.00	400.00	
1-2110	Equipment @ Cost	809.09		60,629.09	
1-2120	Accum. Depr. Equipment		748.00		20,928.00
1-2210	Motor Vehicles @ Cost	0.00		19,900.00	
1-2220	Accum. Depr. Motor Vehicles		363.00		5,027.00
2-1110	Visa		979.00		3,299.00
2-1140	Accounts Payable		42,081.00		50,781.00
2-1212	GST	3,430.33		2,484.33	
3-1000	Owner's Capital		0.00		85,473.00
3-2000	Owner's Drawings		0.00	10,400.00	
4-1400	Sales Income		13,297.32		60,797.32
4-1500	Services Income		981.81		14,781.81
4-1600	Freight Income		50.00		780.00
4-1700	Discount Received		39.00		184.00
4-5005	Interest Income		14.55		91.55
5-2000	Cost of Sales	6,845.64		34,395.64	
5-3000	Subcontractors	400.00		2,700.00	
5-4000	Freight Expense	340.00		1,210.00	
5-5000	Discount Given	0.00		45.00	
5-6000	Inventory Adjustments	207.10		527.10	
6-1110	Accounting & Bookkeeping	0.00		1,000.00	
6-1120	Advertising & Marketing	400.00		1,000.00	
6-1160	Bank Fees & Charges	10.00		120.00	
6-1210	Depreciation Expenses	1,111.00		7,773.00	
6-1470	Electricity Expenses	0.00		713.00	
6-1640	Insurance Expenses	0.00		1,170.00	
6-1700	Motor Vehicle Expenses	80.91		945.91	
6-4280	Postage & Stationery	141.45		281.45	
6-4300	Rent Expenses	1,500.00		10,500.00	
6-4320	Repairs & Maintenance	0.00		50.00	
6-4460	Telephone & Internet	0.00		620.00	
<b>Grand total</b>		<b>61,561.33</b>	<b>61,561.33</b>	<b>242,142.68</b>	<b>242,142.68</b>

FIGURE 10.29 – Trial Balance

## Bank reconciliation

31 Jan 2023

Account number	Account name	Date last reconciled	Last reconciled balance (\$)	Account balance (\$)
1-1110	Bankwest Cheque Account	31/01/2023	15,203.05	13,257.95
<b>Reconciliation</b>				<b>Value (\$)</b>
Account balance on 31/01/2023				13,257.95
Add: Outstanding withdrawals				1,945.10
Subtotal				15,203.05
Deduct: Outstanding deposits				0.00
<b>Expected balance on bank statement</b>				<b>15,203.05</b>
<b>Outstanding withdrawals</b>				
Reference number	Transaction date	Description	Deposit (\$)	Withdrawal (\$)
248	31/01/2023	Payment; May Agencies		1,945.10
<b>Total</b>			<b>0.00</b>	<b>1,945.10</b>
<b>Reconciled withdrawals</b>				
Reference number	Transaction date	Description	Deposit (\$)	Withdrawal (\$)
243	01/01/2023	Outstanding cheque		3,120.00
244	01/01/2023	Outstanding cheque		2,920.00
245	06/01/2023	Part payment		3,000.00
246	13/01/2023	Plastic Industries for 00008203		3,685.00
247	15/01/2023	Drake Real Estate		1,650.00
EFTPOS	21/01/2023	Cash Sales: Credit from 1175		154.00
TR000003	31/01/2023	Transfer to cash management account		7,000.00
Bank	31/01/2023	Bank fees		10.00
<b>Total</b>			<b>0.00</b>	<b>21,539.00</b>
<b>Reconciled deposits</b>				
Reference number	Transaction date	Description	Deposit (\$)	Withdrawal (\$)
CR000001	04/01/2023	Cash Sales for 11701170	310.00	
CR000002	07/01/2023	Payment; Creative Landscaping	2,580.00	
CR000004	18/01/2023	Cash Sales for 11741174	154.00	
TR000001	20/01/2023	Banking	5,556.00	
TR000002	25/01/2023	Banking	5,182.05	
CR000008	29/01/2023	Cash Sales for 11801180	1,210.00	
<b>Total</b>			<b>14,992.05</b>	<b>0.00</b>
1-1120	Cash Management Account	31/01/2023	12,004.55	12,004.55
<b>Reconciliation</b>				<b>Value (\$)</b>
Account balance on 31/01/2023				12,004.55
Add: Outstanding withdrawals				0.00
Subtotal				12,004.55
Deduct: Outstanding deposits				0.00
<b>Expected balance on bank statement</b>				<b>12,004.55</b>
<b>Reconciled deposits</b>				
Reference number	Transaction date	Description	Deposit (\$)	Withdrawal (\$)
TR000003	31/01/2023	Transfer to cash management account	7,000.00	
CR000009	31/01/2023	Interest earned for the month	14.55	
<b>Total</b>			<b>7,014.55</b>	<b>0.00</b>

FIGURE 10.30 – Reconciliation Report

### REVISION EXERCISE 3

Playtime is a small retail business owned by David Baxter, a sole trader, who buys and sells children's play equipment. There is one employee who is paid fortnightly, and tax deducted from his wages (PAYG withholding tax) is remitted to the Australian Taxation Office (ATO) quarterly. The business is registered for GST and the accrual basis is used for accounting and GST purposes. The asset method is used for prepayments and the direct write off method for bad debts. All prices are GST exclusive unless otherwise stated.

You are required to:

- Create a new MYOB data file.
- Make changes to the Chart of accounts.
- Change linked accounts as specified.
- Enter opening General Ledger balances.
- Setup customers, suppliers, and inventory and enter opening balances.
- Record a variety of transactions for the month.
- Print or display reports for the month.

#### *Create a new data file*

Business name:	<b>Playtime</b>
ABN:	<b>35 971 407 964</b>
Address:	<b>93 Hector Street Osborne Park WA 6017</b>
Phone:	<b>9377 2400</b>
Current financial year:	<b>202_</b>
Last month of financial year:	<b>June</b>
Opening balance date:	<b>February</b>
Industry:	<b>Retail</b>

#### *Chart of accounts*

Add/edit accounts, based on the trial balance shown in figure 10.29.  
Activate and link sales and purchases accounts for freight and discount.

## Enter opening balances

Playtime  
93 Hector Street  
Osborne Park WA 6017  
9377 2400

---

**Trial balance report**  
Jan 2023

Account no	Account name	Debit (\$)	Credit (\$)
1-1110	Business Bank Account	10,495.00	
1-1120	Cash Management Account	9,945.00	
1-1130	Petty Cash/Cash on Hand	100.00	
1-1200	Accounts Receivable	5,307.00	
1-1300	Inventory	14,650.00	
1-1350	Prepaid Advertising	360.00	
1-1360	Prepaid Insurance	1,550.00	
1-2110	Plant & Equipment @ Cost	28,000.00	
1-2120	Accum. Depr. Plant & Equipment		9,280.00
1-2210	Motor Vehicles @ Cost	9,500.00	
1-2220	Accum. Depr. Motor Vehicles		6,510.00
2-1140	Accounts Payable		4,455.00
2-1212	GST		2,695.00
2-1350	PAYG Withholding Payable		1,736.00
2-1355	Superannuation Payable		277.00
3-1000	Capital		69,280.00
3-2000	Drawings	15,000.00	
4-1400	Sales		96,500.00
4-1500	Discount Received		224.00
4-1600	Freight Income		120.00
4-1700	Interest Income		173.00
5-2000	Cost of Sales	53,075.00	
5-2100	Discount Allowed	175.00	
5-2200	Freight Costs	580.00	
6-1120	Advertising & Marketing	390.00	
6-1160	Bank Fees & Charges	70.00	
6-1210	Depreciation Expenses	2,806.00	
6-1470	Electricity Expenses	786.00	
6-1640	Insurance Expenses	2,210.00	
6-1700	Motor Vehicle Expenses	1,884.00	
6-4100	Payroll - Wages & Salaries	20,980.00	
6-4200	Payroll- Superannuation	2,203.00	
6-4300	Rent Expenses	10,500.00	
6-4320	Repairs & Maintenance	120.00	
6-4460	Telephone & Internet	564.00	
<b>Grand total</b>		<b>191,250.00</b>	<b>191,250.00</b>

FIGURE 10.31 – Opening Balances

## Customers & opening balances

Designation	Company	Company	Company	Company
Name	ABC Child Care Centres	Stirling City Council	Jellybeans Child Care Centres	Cash Sales
Customer terms	Net 30 days	Net 30 days	5% 10/Net 30 days	C.O.D.
Invoice number	1595	1619	1620	
Date	29/11/202_	28/01/202_	29/01/202_	
Amount (Incl. Tax)	\$537	\$3,320	\$1,450	

TABLE 10.12 – Customer cards

## Suppliers & opening balances

Designation	Company	Company	Company
Name	The Cubby Company	Kidspac	The Imagination Company
ABN	49 009 143 623	91 128 237 303	41 369 248 116
Supplier terms	Net 30 days	5% 10/Net 30 days	Net 30 days
PO No.	978	980	
Invoice number	11277	2552	
Date	17/01/202_	29/01/202_	
Amount (Incl. Tax)	\$1,100	\$3,355	

TABLE 10.13 – Supplier cards

## Inventory items & opening balances

Item ID	CLIMB	CUBBY	TRAMP	SWING
Name	Climbing Frame	Playhouse - Plastic Outdoor	Trampoline	Swing Set
I Buy, Sell & Inventory Items	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
Asset account	1-1300	1-1300	1-1300	1-1300
Income account	4-1400	4-1400	4-1400	4-1400
Cost of sale account	5-2000	5-2000	5-2000	5-2000
Buying & Selling Unit of measure	Each (1)	Each (1)	Each (1)	Each (1)
Tax Code when bought & sold	GST	GST	GST	GST
Minimum stock level	5	5	5	5
Primary supplier	Kidspac	The Cubby Company	The Imagination Company	The Imagination Company
Default restock quantity	5	10	10	15
Selling price (excl. GST)	\$1,600	\$815	\$1,000	\$320
Quantity on Hand	4	10	8	10
Unit cost (excl. GST)	\$900	\$450	\$600	\$175
Value of inventory on Hand	\$3,600	\$4,500	\$4,800	\$1,750

TABLE 10.14 – Inventory items

## Transactions

- 1/02/202\_ Traded-in the old motor vehicle for \$4,400 (including GST) on a new motor vehicle costing \$19,990 (including GST) from Main Street Motors. The difference between the two was financed with a business loan. Record the resulting profit or loss (a new account will be required).
- 3/02/202\_ Cheque no. 1923 paid RAC Insurance for insurance on the new motor vehicle. The amount of the cheque is \$820, and the insurance premium is made up of \$770 (including GST) and \$50 (GST Free). The premium is for twelve months from 1/02/202\_.
- 3/02/202\_ Credit sale to Stirling City Council (invoice no. 1622) 1 Climbing Frame and 1 Swing Set.
- 4/02/202\_ Purchase order no. 981 sent to Kidspac for 5 climbing frames @ \$900 each.
- 4/02/202\_ Received and banked a cheque for \$1,377.50 from Jellybeans Child Care Centres in payment of the account balance after discount.
- 5/02/202\_ Paid Optus \$298.50 including GST, by credit card for the mobile phone bill.
- 6/02/202\_ Cheque no. 1924 for \$3,187.25 was sent to Kidspac.

7/02/202_	Purchase order sent to The Cubby Company for 10 x Gourmet Kitchens @ \$100 each (New Item ID. KITCH). The selling price will be \$180 plus GST.
12/02/202_	Received the items ordered from Kidspace together with their invoice no. 2561 for \$5,005 which included a freight charge of \$50.
13/02/202_	Purchased a new item from a new supplier (Play & Grow, ABN 32 109 786 899). Invoice no. 530 for \$2681.25 is for 10 x Seesaws @ \$40 each (This item (SESAW) will be sold for \$70 each) and 10 x Climb/slides @ \$210 each (This item (SLIDE) will be sold for \$390 each). As a new customer, we were required to pay for the goods on delivery, but we were given a 2.5% discount on these items. Cheque no. 1925 was used.
14/02/202_	Drew a cash cheque (no. 1926) for \$2,312 to pay the wages for the fortnight (gross \$1,560 less \$248 PAYG Withholding) and drawings for the owner.
17/02/202_	Received all the goods ordered from The Cubby Company on 7/02/202_ at the price quoted. Their invoice no. 11301 for \$1,188 included a freight charge of \$80.
18/02/202_	Credit sale to Kalgoorlie City Council, a new customer, of 5 x Climbing Frames, 5 x Swing Sets and 5 x Seesaws. Add a freight charge of \$200. Terms N14.
19/02/202_	Paid Synergy \$378.60, including GST, by credit card for the electricity bill.
20/02/202_	Transferred \$4,000 from the Cash Management Account to the Business Bank Account.
20/02/202_	Paid The Cubby Company the amount owing to them for January with cheque no. 1927.
21/02/202_	Paid the December quarter BAS liability of \$3,323 to the Australian Taxation Office by cheque no. 1928 – PAYG withholding \$1,302; GST \$2,021.
21/02/202_	Received purchase order no. 3976 from Treetop Child Care Centre for – 1 x Outdoor Plastic Playhouse and 1 x Gourmet kitchen to be delivered on 3/03/202_.
24/02/202_	Credit sale to Jellybeans Child Care Centres of 1 x Seesaw, 1 x Swing set, and 1 x Climb/slide. Add a freight charge of \$50.
24/02/202_	Cash sale of 1 x Climbing frame for \$1,700 (including GST). The customer paid by EFTPOS.
25/02/202_	An Adjustment Note was issued to Kalgoorlie City Council for 1 x Seesaw that was damaged in transit and cannot be repaired. Write this item off.
25/02/202_	Purchased stationery from Officeworks for \$57.90 including GST. This was paid for from petty cash.
26/02/202_	Received and banked a cheque for \$3,320 from Stirling City Council.
27/02/202_	Cash sale of 1 x Trampoline. The customer paid by EFTPOS.
28/02/202_	Cashed cheque no. 1929 for \$2,369.90 to pay the wages for the fortnight (gross \$1,560 less \$248 PAYG Withholding), \$1,000 drawings for the owner, and \$57.90 to reimburse petty cash.

### ***End of Month Adjustments***

- Transfer the following prepayments to their respective expense accounts:
  - 1 month of the new motor vehicle insurance (motor vehicle expenses)
  - 1 month of the opening balance (5 months) for prepaid insurance
  - All the remaining prepaid advertising.

- Depreciation expense for the month of February (round to the nearest dollar):
  - Plant & Equipment: 15% p.a. prime cost (straight line) method.
  - Motor Vehicles: 25% p.a. diminishing value (reducing balance) method.
- Accrue superannuation payable for the month of \$327.60.
- Interest charged to the business loan for the month was \$71.45.
- Interest earned on the cash management account for the month was \$25.55.
- ABC Child Care Centres has advised the owner that they have gone into liquidation. The owner decides to write off the balance owed by them as a bad debt. Use the services layout.

• Stock-take Information:	<u>Item</u>	<u>Qty on Hand</u>
	CLIMB	2
	CUBBY	10
	KITCH	9
	SESAW	4
	SLIDE	9
	SWING	3
	TRAMP	7

TABLE 10.15 – Inventory stocktake

### Reports

Print or display the following reports for February:

- Payables reconciliation with tax
- Customer sales
- Stock on hand
- GST report
- Trial Balance

Playtime 93 Hector Street Osborne Park WA 6017 9377 2400		
<hr/>		
<b>Payables reconciliation with tax report</b>		
28 Feb 2023		
<b>Name</b>	<b>Amount outstanding (\$)</b>	<b>Tax outstanding (\$)</b>
Kidspace	5,005.00	455.00
The Cubby Company	1,188.00	108.00
<b>Total</b>	<b>6,193.00</b>	<b>563.00</b>
<b>Payables account</b>	<b>6,193.00</b>	
<b>Out of balance amount</b>	<b>0.00</b>	

FIGURE 10.32 – Payables reconciliation with tax

## Customer sales report

01 Feb 2023 - 28 Feb 2023

Customer name	Customer number	Sale amount (\$)	Tax (\$)	Current balance (\$)
ABC Child Care Centres	*None	(488.18)	(48.82)	0.00
Cash Sales	*None	2,545.45	254.55	0.00
Jellybeans Child Care Centres	*None	714.09	76.41	913.00
Kalgoorlie City Council	*None	9,880.00	1,008.00	11,088.00
Stirling City Council	*None	1,920.00	192.00	2,112.00
<b>Grand total</b>		<b>14,571.36</b>	<b>1,482.14</b>	<b>14,113.00</b>

FIGURE 10.33 – Customer sales

## Stock on hand report

Item ID	Item name	On hand	On order with supplier	Committed to customer	Available	Total value (\$)	Average cost (\$)
CLIMB	Climbing Frame	2	0	0	2	1,800.00	900.00
CUBBY	Playhouse- Plastic Outdoor	10	0	1	9	4,500.00	450.00
KITCH	Gourmet Kitchen	9	0	1	8	900.00	100.00
SESAW	Seesaw	4	0	0	4	156.00	39.00
SLIDE	Climb/slide	9	0	0	9	1,842.75	204.75
SWING	Swing Set	3	0	0	3	525.00	175.00
TRAMP	Trampoline	7	0	0	7	4,200.00	600.00
<b>Grand total</b>						<b>13,923.75</b>	

FIGURE 10.34 – Stock on hand

## GST report

Accrual mode

01 Feb 2023 - 28 Feb 2023

### Sales and income

Code	Description	Rate (%)	Tax Inclusive (\$)	Tax Exclusive (\$)	Tax Collected (\$)
N-T	Not Reportable	0	(3,390.00)	(3,390.00)	0.00
GST	Goods & Services Tax	10	21,480.75	19,527.95	1,952.80
ITS	Input Taxed Sales	0	25.55	25.55	0.00
<b>Total sales and income</b>			<b>18,116.30</b>	<b>16,163.50</b>	<b>1,952.80</b>

### Purchases and expenses

Code	Description	Rate (%)	Tax Inclusive (\$)	Tax Exclusive (\$)	Tax paid (\$)
N-T	Not Reportable	0	(11,046.55)	(11,046.55)	0.00
GST	Goods & Services Tax	10	10,988.75	9,989.77	998.98
CAP	Capital Acquisitions	10	19,990.00	18,172.73	1,817.27
FRE	GST Free	0	121.45	121.45	0.00
<b>Total purchases and expenses</b>			<b>20,053.65</b>	<b>17,237.40</b>	<b>2,816.25</b>
<b>Net total</b>			<b>(1,937.35)</b>	<b>(1,073.90)</b>	<b>(863.45)</b>

FIGURE 10.35 – GST report

## Trial balance report

Feb 2023

Account no	Account name	Debit (\$)	Credit (\$)	YTD Debit (\$)	YTD Credit (\$)
1-1110	Business Bank Account		4,295.90	6,199.10	
1-1120	Cash Management Account		3,974.45	5,970.55	
1-1130	Petty Cash/Cash on Hand	0.00		100.00	
1-1200	Accounts Receivable	8,806.00		14,113.00	
1-1300	Inventory		726.25	13,923.75	
1-1350	Prepaid Advertising		360.00	0.00	
1-1360	Prepaid Insurance	377.50		1,927.50	
1-2110	Plant & Equipment @ Cost	0.00		28,000.00	
1-2120	Accum. Depr. Plant & Equipment		350.00		9,630.00
1-2210	Motor Vehicles @ Cost	8,672.73		18,172.73	
1-2220	Accum. Depr. Motor Vehicles	6,131.00			379.00
2-1110	Credit Card		677.10		677.10
2-1140	Accounts Payable		1,738.00		6,193.00
2-1212	GST	2,884.45		189.45	
2-1350	PAYG Withholding Payable	806.00			930.00
2-1355	Superannuation Payable		327.60		604.60
2-2105	Business Loan		15,661.45		15,661.45
3-1000	Capital		0.00		69,280.00
3-2000	Drawings	2,000.00		17,000.00	
4-1400	Sales		15,125.45		111,625.45
4-1500	Discount Received		152.50		376.50
4-1600	Freight Income		250.00		370.00
4-1700	Interest Income		25.55		198.55
4-6000	Profit on sale of asset		1,010.00		1,010.00
5-2000	Cost of Sales	8,524.75		61,599.75	
5-2100	Discount Allowed	65.91		240.91	
5-2200	Freight Costs	130.00		710.00	
5-2300	Inventory Adjustments	139.00		139.00	
6-1120	Advertising & Marketing	360.00		750.00	
6-1150	Bad Debts	488.18		488.18	
6-1160	Bank Fees & Charges	0.00		70.00	
6-1210	Depreciation Expenses	729.00		3,535.00	
6-1470	Electricity Expenses	344.18		1,130.18	
6-1640	Insurance Expenses	310.00		2,520.00	
6-1650	Interest Expense	71.45		71.45	
6-1700	Motor Vehicle Expenses	62.50		1,946.50	
6-4100	Payroll - Wages & Salaries	3,120.00		24,100.00	
6-4200	Payroll- Superannuation	327.60		2,530.60	
6-4280	Postage & Stationery	52.64		52.64	
6-4300	Rent Expenses	0.00		10,500.00	
6-4320	Repairs & Maintenance	0.00		120.00	
6-4460	Telephone & Internet	271.36		835.36	
<b>Grand total</b>		<b>44,674.25</b>	<b>44,674.25</b>	<b>216,935.65</b>	<b>216,935.65</b>

FIGURE 10.36 – Trial Balance

## APPENDIX

### Australian business numbers and the goods and services tax

A Goods and Services Tax (GST) of 10 per cent was introduced in Australia in 2000. It is a broad-based tax levied on most supplies (sales) of goods and services (referred to as 'taxable supplies' in the GST legislation).

All businesses (those who were genuinely in business with a view to making a profit) are required to register with the Australian Business Register (ABR) and are given an Australian Business Number (ABN), which is a unique 11-digit identification number. This number must be displayed on all official documents, such as invoices. Businesses with a turnover of greater than \$75,000 per annum are also required to register with the Australian Taxation Office (ATO) for GST. Those with a turnover of less than \$75,000 per annum can choose whether to register for GST or not.

To avoid duplication of GST at the various levels of production and supply, businesses are allowed to offset any GST paid on purchases (input tax credits) against the GST collected on sales. This is how the goods and services tax works.

	Business Activity Statement		Tax Office
Timber merchant sells timber for \$110, including \$10 GST	GST on sales	\$10	
	Less input tax credit	\$ 0	\$10 GST paid by timber merchant to ATO
	GST to pay	\$10	
<hr/>			
Furniture manufacturer sells table for \$220, including \$20 GST	GST on sales	\$20	
	Less input tax credit	\$10	\$10 GST paid by manufacturer to ATO
	GST to pay	\$10	
<hr/>			
Retailer sells table for \$330, including \$30 GST	GST on sales	\$30	
	Less input tax credit	\$20	\$10 GST paid by retailer to ATO
	GST to pay	\$10	
<hr/>			
Consumer pays \$330 to the retailer, including \$30 GST			<b>\$30 total GST paid</b>

The GST collected less GST paid is remitted to the ATO on either a monthly, quarterly, or yearly basis, depending on circumstances, along with other taxes such as tax instalments deducted from employee wages and salaries (PAYG Withholding), income or company tax instalments (PAYG Instalments), and Fringe Benefits Tax. These are reported to the ATO on a Business Activity Statement (BAS), either on a cash basis or an accrual basis. Businesses with annual gross revenues of less than \$20,000,000 can use either basis, but those with annual gross revenues of more than \$20,000,000 must use the accrual basis. If GST paid is greater than GST collected in any given tax period, then the ATO will pay the refund directly into the business's bank account.

All supplies of goods and services are subject to GST unless they are either non-taxable or specifically excluded from the tax. These are the types of supply:

1. **Taxable** supplies are those that include 10% GST in the price. The business is registered for GST and charges its customers GST on all supplies of goods and services. It must remit the GST collected to the ATO and is entitled to claim back any GST paid on business inputs.
2. **GST-free** supplies are those that do not include any GST in the price. GST-free supplies include basic foods (such as fresh fruit, vegetables, meat, and bread), some educational courses, exports, and some health services. An example of a type of business that is GST-free is a registered childcare centre. These businesses do not charge GST but are entitled to claim back GST paid on business inputs.

- Input taxed** supplies are like GST-free supplies except that the business cannot claim back the GST paid on business inputs. Input taxed supplies include financial supplies, such as lending money, and residential rents.

Wages, salaries, and other employment related expenses, such as superannuation, are specifically excluded from GST.

Non-current assets, such as plant and equipment, attract input credits when purchased, and GST when sold. There was a requirement to report capital acquisitions separately on the BAS, therefore a special code (CAP) is used for purchases of this type. However, with the introduction of a simplified BAS that is no longer required, but that code is still used.

Source documents, such as the 'tax invoice', must be designed to include all the information required under the GST legislation, and must be supplied for sales of goods or services over \$82.50 including GST, if requested. The invoice must show the ABN of the business issuing the invoice and either the GST-inclusive price of the goods and services being sold, or the GST exclusive price of the goods or services and the amount of GST.

## Accounting for the GST using MYOB

It is essential that businesses maintain good accounting records from which, the information required to be reported on the BAS, can be easily extracted. MYOB includes in the chart of accounts an account for GST. In the desktop version there is an account for GST Collected and one for GST Paid, and you can setup those accounts in the online version of the software, it is simpler to use just one account, because although one is technically an asset and the other a liability, MYOB places them both in the current liability classification, as is the GST account in the online software. As a rule, businesses owe the ATO money, not the other way around.

The tax codes used by MYOB are shown in figure A1. To view this listing go to 'Accounting' on the menu bar and select Tax codes.

Tax code	Description	Type	Account for tax collected	Account for tax paid	Rate (%)
ABN	No ABN Withholding	No ABN/TFN	2-1365 ABN Withholding	2-1365 ABN Withholding	-47
CAP	Capital Acquisitions	Goods and Services	2-1212 GST	2-1212 GST	10
EXP	GST Free Exports	Goods and Services	2-1212 GST	2-1212 GST	0
FRE	GST Free	Goods and Services	2-1212 GST	2-1212 GST	0
GNR	GST (Non-Registered)	Input Taxed			0
GST	Goods & Services Tax	Goods and Services	2-1212 GST	2-1212 GST	10
GW	Consolidated WEG & WET	Consolidated			0
INP	Input Taxed	Input Taxed			10
ITS	Input Taxed Sales	Goods and Services	2-1212 GST	2-1212 GST	0
LCG	Consolidated LCT & GST	Consolidated			0
LCT	Luxury Car Tax	Luxury Car Tax	2-1385 Luxury Car Tax	2-1385 Luxury Car Tax	31
N-T	Not Reportable	Goods and Services	2-1212 GST	2-1212 GST	0
VWH	Voluntary Withholdings	Withholdings Tax	2-1395 Voluntary Withholding	2-1395 Voluntary Withholding	-20
WEG	GST on Wine Equalisation ...	Goods and Services	2-1212 GST	2-1212 GST	12.8
WET	Wine Equalisation Tax	Sales Tax	2-1399 Wine Equalisation Tax	2-1399 Wine Equalisation Tax	29

FIGURE A1 – Tax Code List

MYOB uses the same code for sales and purchases, except when the transaction involves a capital purchase. It is important to use the correct code.

- The **CAP** code is used when a capital acquisition, usually of a fixed asset, costing more than \$300 is made. Capital acquisitions are reported separately at G10 on the business activity statement; that is why a separate code is used. Capital acquisitions are those items that will be written off over their useful life.

- The **GST** code is used on all supplies of goods and services to customers (sales, services, fees, and the sale of a fixed asset) and goods and services purchased from suppliers.
- The **FRE** code is used for all GST-free sales and purchases made by the business. Types of purchases include bank fees, interest paid, and staff amenities such as milk, tea, and coffee.
- The **ITS** code is used for interest earned by the business, such as on interest bearing term deposits or investment accounts.

**Note:** Bank charges and interest are input taxed sales for the financial institutions that charge them, but they are GST-free supplies to the business that incurs the expense. There are some purchases, such as insurance, where part of the charge will be GST and part FRE.

- The **GNR** code is used when the purchase is from a supplier who is not registered for GST, therefore there is no GST in the transaction, but the supplier does have an ABN.
- The **ABN** code is used when the purchase is from a supplier who fails to provide their ABN. The business is required to withhold 47% of the amount and remit it to the ATO.
- The **N-T** code is the one used when the transaction does not come within the scope of the goods and services tax – such as wages, dividends, capital contributions, and internal adjustments like depreciation.

**Note:** As a general rule of thumb –

- (1) All assets (except for fixed assets at cost), all liability and all equity accounts use the N-T code because they do not involve the supply of goods and services.
- (2) Interest expense and bank charges are financial supplies (involving banks and finance companies) and therefore the non-financial institution businesses use the FRE code for these accounts. There are also some supplies (e.g., council rates, fresh food), which are exempt from GST. Use the FRE code for these.
- (3) Interest income accounts use the ITS code.
- (4) When recording internal adjusting type entries (e.g., depreciation & prepayments) all the accounts involved in the transaction use the N-T code. The GST would have been accounted for when the expense was incurred.
- (5) All other income and expense accounts, which are involved in the supply of goods and services, use the GST code.

## Lock date

To lock a period, go to the Main Menu and *select* Business settings. You may remember seeing this at the bottom of the window when you were setting up a data file. Place a tick in the box and enter whatever date is appropriate e.g., 30/06/202\_.

## Payroll

Most employees in Australia are employed under an award applicable to their trade, for example retail employees' award. These can be either State or Federal awards and they set out the minimum conditions of employment about such things as hours of work, leave entitlements, and pay rates. Other employment arrangements can include workplace agreements and individual contracts.

To assist students to understand some of the terminology used in these exercises a summary of the most used terminology is provided.

*Types of employment* – The form of employment used in all these exercises is either:

- *Full time* - 38 hours per week in most of these exercises, but the number of hours may vary under different award agreements.
- *Part time* - employed for an agreed number of hours or days per week, such as three days per week or 20 hours per week.

- *Casual* – employed for what could be a varying number of hours per week. These employees are not entitled to be paid for annual leave or personal leave and are therefore paid a loading on the normal hourly rate for that type of work.
- *Permanent* - they have completed any probationary period and are now a permanent staff member.

*Base Hourly* – Payment for work performed during the standard working week at an hourly rate. In most of these exercises the standard working week is 38 hours, the most common in Australia.

*Base Salary* – Payment for work performed for the pay period, which may be weekly, fortnightly, or monthly. Salaried employees receive an annual salary package under which they are usually not entitled to be paid overtime or annual leave loading. In other words, regardless of how many hours they work in any given pay period they will receive the same amount.

*Overtime* – This is payment for work performed outside of the normal working week. The rates will differ between awards, but generally time and a half (150% of the normal rate) is paid for the first two or three hours and double time (200% of the normal rate) thereafter. For example, if an employee worked 12.6 hours on a particular day, then he/she would be paid normal rates for 7.6 hours, then time and a half for the next 3 hours and double time for the final 2 hours. If the normal working week is Monday to Friday, then any weekend work is usually paid at overtime rates.

*Allowances* – These are payments related to events or qualifications. There are several types used in these exercises, meal allowance, mileage or vehicle allowance and tool allowance.

- Meal allowance is payable when an employee works a set number of hours after their normal finishing time on that day.
- Mileage, travel, or vehicle allowance is paid at a rate of a given number of cents per kilometre, e.g., 70c per km, to compensate an employee for the use of their own vehicle on business related travel.
- Tool allowance is paid to compensate employees for the cost of acquiring and replacing tools that they supply and use in their trade.
- There are numerous other types of allowances, such as, laundry, travel & accommodation, or qualifications.

*Superannuation* – There are three different types of superannuation contributions used in these exercises and they differ in their application.

- **Superannuation Guarantee** is an amount an employer is required to pay into an approved superannuation fund on behalf of their employees. The current rate is 10.5% (increasing by 0.5% each year until it reaches 12%) and this is calculated on the normal weekly earnings of the employee, which excludes such items as overtime, bonuses, and leave loading. This amount is an employer expense as it is payable in addition to the wages and salaries paid to the employee.
- **Salary Sacrifice Superannuation** is where an employee agrees to have part of their wages or salary paid directly into a superannuation fund. This form of superannuation, as the name suggests, results in the employee receiving a lesser amount of gross salary. It is deducted before PAYG withholding tax is calculated.
- **Employee Additional Superannuation** is an amount that an employee pays into a superannuation fund out of his/her net (after tax) pay.

*Leave Entitlements* – This is time accrued because of the period of employment. For example, when an employee has completed twelve months of service, they are entitled to four weeks annual leave. There are several other types of leave entitlements that accrue in the same manner, and these are personal leave and long service leave.

- **Annual Leave** when paid to an employee in Australia is actually paid at a higher rate (117.5%) than their normal rate of pay. The other 17.5% is referred to as annual leave loading and is payable on

most annual leave payments. There are exceptions, one being when an employee terminates his/her employment. Leave loading is only paid on completed years of service, not part years. The purpose of this leave loading is to compensate employees for such things as overtime and shift penalty rates, which they have foregone by taking holidays. Any unused annual leave is paid out when an employee terminates their employment.

- **Personal Leave** entitlements differ between awards, but in these exercises 76 hours (10 days) per annum is used. When an employee is unable to attend work due to ill health or carer duties, they are paid personal leave pay. Any unused personal leave is usually not paid out on termination.
- **Long Service Leave** is a reward of three months paid leave for staying with one employer for many years. The number of years after which this entitlement is available varies, in government organisations it can be as frequently as every seven years; in private enterprise it is longer. We will not be maintaining records for this in any of the exercises.

*PAYG (Pay As You Go) Withholding* – Employers are required to deduct tax from an employee’s wages and remit that amount to the Australian Taxation Office either monthly or quarterly. The amount to be deducted is determined by reference to several different tax tables that the ATO provide and the individual circumstances of the employee. Such as being an Australian resident for tax purposes, a working holiday maker, a seasonal worker, having only one job or several jobs, or having a HELP (Higher Education Loan Payment) debt that must be repaid. The amount deducted can be likened to periodical payments of a debt in advance.

*Deductions* – These are amounts deducted from the net wage with the employee’s permission, and remitted to their union, professional body, or health fund. Not all employers provide this bill payment service to their employees.

## Single Touch Payroll

Single Touch Payroll (STP) is an Australian Government initiative to reduce employers’ reporting burdens to government agencies. Businesses report employees’ payroll information to the Australian Taxation Office each time they pay their employees through STP-enabled software. Payroll information includes:

- salaries and wages.
- pay as you go (PAYG) withholding.
- superannuation.

STP started on 1 July 2018 for employers with 20 or more employees and 1 July 2019 for employers with 19 or fewer employees. From 1 July 2021 it became mandatory for all businesses with employees to register and report using this software. STP Phase 2 is being rolled out and reporting via this will be required for pays after 1 July 2023.

To setup for STP using MYOB you are required to:

- Install the latest version of MYOB software.
- Make sure your company file is online.
- Set up payroll.
- Add your employees.
- Assign ATO reporting categories to your payroll categories.
- Notify the ATO that you are using MYOB to send your payroll information.

Once you have setup STP you will be prompted to send your employees’ payroll total to the ATO after each pay run.

At the 30 June, or shortly thereafter:

- Employers correct any incorrect pays.
- Check that all pay runs have been accepted by the ATO.
- Check payroll reports to make sure they are correct.
- Send an update event to the ATO to let them know you are finalising your payroll year.













