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Business Activity Statement

Small Business, Community and Educational Adviser Education Programme

Case Study:
Completing the Business Activity Statement (BAS)

WORKSHOP CASE STUDY

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Sample Forms
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- Blank monthly BAS
- Blank IAS
- Blank Statement by a Supplier (No ABN)

IMPORTANT INFORMATION CONCERNING THIS MATERIAL - PLEASE READ

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' Commonwealth of Australia 2000

BAS WORKSHOP MATERIALS

CASE STUDY: COMPLETION OF FIRST QUARTERLY BAS

INTRODUCTION — PETER POT S CAFE

Peter Pot operates a cafe. Part of the workshop materials include a listing of supplies Peter made during early August and payments he made during that period for acquisitions. The receipts and payments relating to these supplies and acquisitions have been summarised in a sample cashbook which is also part of the workshop materials.

This case study now goes on to show how Peter Pot would complete his first quarterly GST section of the BAS for the period 1 July to 30 September 2000. The information that participants require is:

- an analysis of Peter s bankings for the quarter and
- an analysis of his payments for the same period

together with any explanatory remarks that will assist them to understand how to summarise this information for the BAS. This is set out in the case study.

The first part of the case study proceeds on the basis that Peter is registered for GST on a cash basis for completing his BAS.

Then the case study shows what adjustments are necessary to amend the cash basis BAS to allow Peter to compile a BAS as if he was registered under the non-cash basis of reporting.

The case study shows also how to calculate net profit, starting with information reported in the GST section of the BAS.

Finally the case study deals with how Peter would complete all the other sections of the BAS which might apply to him and his business. These are:

- PAYG withholding
- PAYG instalments
- Fringe benefits tax

The case study includes worksheets for participants to use.

The participants handouts include a blank sample BAS form which they may complete as the workshop progresses. This document includes Peter s completed BAS.

Example

Peter Pot operates a Cafe. Above the Cafe is a flat that he rents out.
(Assumption no fruit juices or bottled water sold.)

We will work through his transactions for a short period
Payments made 7.8.00

1. Telephone bill (chq 156) for one month for Cafe $176.00
2. Purchases from supplier (chq 157) $2021.00

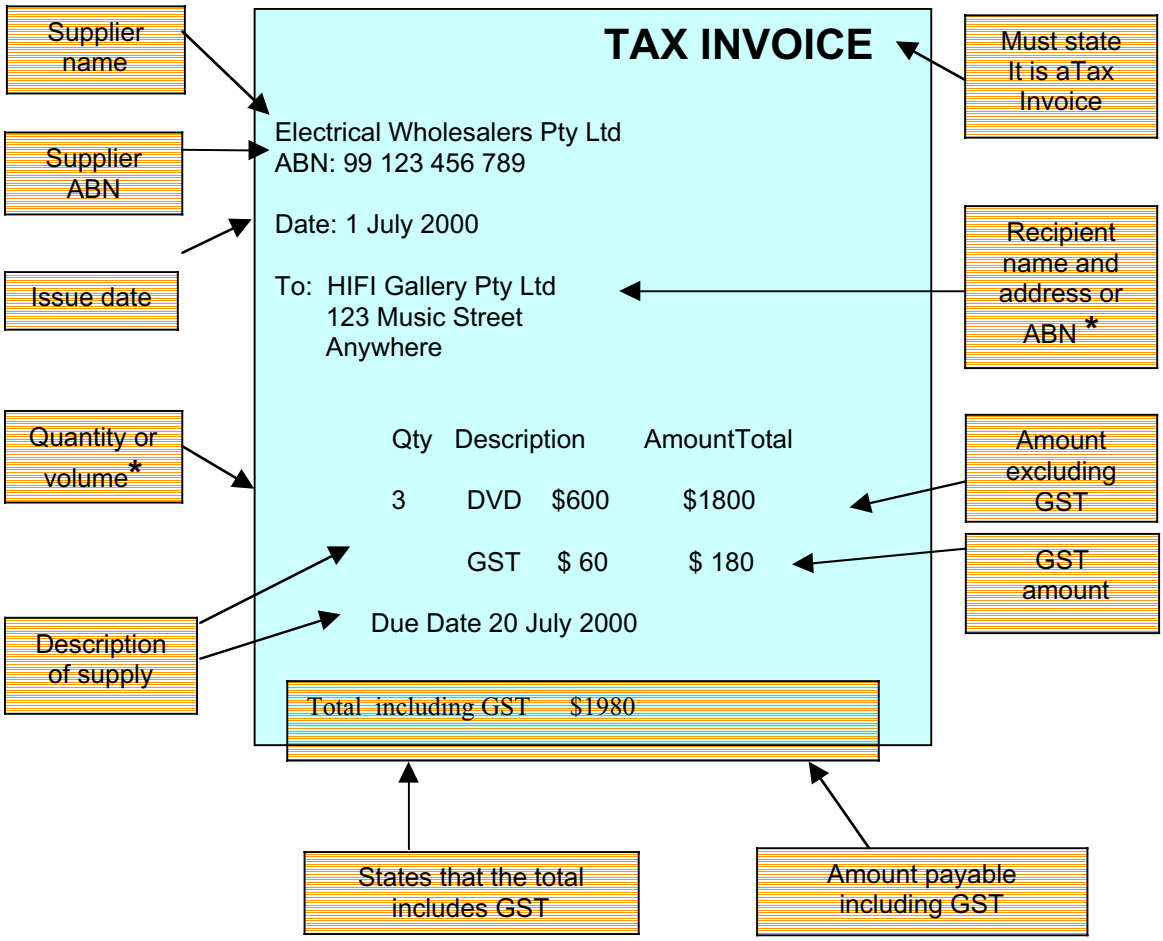
   This was made up as follows

Bread	$1658.00
Pies	$220.00
Veges	$143.00

3. Confectionery purchased (chq 158) $77.00
4. Repairs for flat (chq 159) $280.00
5. Tables and Chairs for Cafe (chq 160) $1650.00
6. Loan payment on computer (principal only) DD $253.00
7. Purchases of soft-drinks (chq 161) $99.00
8. Payment of wages (chq 162) $690.00
9. Purchase of paper bags (chq 163) $330.00
10. Refund of purchase to customer (chq 164) $11.00

Inwards Cash

1. Saturday sales (5.8.00) deposited Monday $5940.00
2. Sunday sales deposited Monday $4400.00
3. Rent from Flat $180.00
4. Refund from Supplier for spoiled cream buns $286.00
5. Monday sales $920, including containers of milk on-sold $40.00
6. Sale of old chairs from Cafe $220.00
7. Sales Tuesday $2200 less cash purchases of fruit $55, deposit $2145.00
8. Transfers of funds from the business savings account of $1000.00


Supplier name
Supplier ABN
Issue date
Quantity or volume*
Description of supply
TAX INVOICE
Must state It is aTax Invoice
Electrical Wholesalers Pty Ltd
ABN: 99 123 456 789
Date: 1 July 2000
To: HIFI Gallery Pty Ltd
123 Music Street
Anywhere
Recipient name and address or ABN *
Qty Description AmountTotal
3 DVD $600 $1800
GST $ 60 $ 180
Amount excluding GST
GST amount
Due Date 20 July 2000
Total including GST $1980
States that the total includes GST
Amount payable including GST

TAX INVOICE

TRANSPHONE

Invoice No. 25688
ABN: 99 123 456 789

1587 Sat Way VIC 3250

Date: 31 July 2000

To: Peter Pots Cafe
123 City Road
Sugarloaf St

Charges Due **$176.00**

Date Due **20/08/00**

Summary of charges	
Telephone account	
July	$176.00
Total Due Including GST	**$176.00**

TAX INVOICE

Wholesale Foods

Invoice No. 98652
ABN: 99 123 456 789

P O Box 5680 VIC 3250

Date: 31 July 2000

To: Peter Pots Cafe
123 City Road
Sugarloaf St
ABN 58 158 156 189

Charges Due	**$2021.00**
Date Due	**20/08/00**

Summary of charges	
Qty	
1220 Bread	$1658.00
150 Pies*	$ 220.00
25 Crates Vegetables	$ 143.00
*GST included in supplies	$ 20.00
Total Due Including GST	**$2021.00**

TAX INVOICE

Quality Confectionary

Invoice No. 58648/1
ABN: 99 123 456 789

P O Box 356 NSW 2054

Date: 31 July 2000

To: Revive Cafe
123 City Road
Sugarloaf St

Charges Due **$77.00**

Date Due **1/08/00**

Summary of charges	
Chocolate Gift boxes	$ 77.00
Total due including GST	**$ 77.00**

TAX INVOICE

The Repair Man

2613 Veevee Rd
Invoice No. 851
ABN: 99 123 456 789

Date: 31 July 2000

To: Peter Pots Cafe
123 City Road
Sugarloaf St

Charges Due **$280.00**

Date Due **1/08/00**

Summary of charges	
Repairs and Maintenance	
July	$254.55
GST	25.45
Total due including GST	**$280.00**

BUSINESS ACTIVITY STATEMENT

3050040

Document identification number
A1 12 123 123 123

Australian Business Number
A2 97 999 999 999

Period covered by this statement
FROM A3 01/07/2000 TO A4 30/09/2000

This statement is due on A5 11/11/2000

Amount payable is due on A6 11/11/2000

When completing this form:
- use a BLACK pen only
- use the *Business Activity Statement Instructions*

Show whole dollars only.

DEBITS		CREDITS	
Goods and services tax payable	1A $	Credit for goods and services tax paid	1B $
Wine equalisation tax payable	1C $	Wine equalisation tax refundable	1D $
Luxury car tax payable	1E $	Luxury car tax refundable	1F $
		Special credit for wholesale sales tax	1G $
Add 1A + 1C + 1E	2A $	Add 1B + 1D + 1F + 1G	2B $
2A minus 2B GST net amount	3 $	*If the result is positive, this is your net amount of GST. If the result is negative, this is your net amount of GST credit.*	
Pay As You Go withholding	4 $		
Pay As You Go instalment	5A $	Credit arising from reduced Pay As You Go instalments	5B $
Fringe benefits tax instalment	6A $	Credit arising from reduced fringe benefits tax instalments	6B $
Deferred company/fund instalment	7 $		
Add 2A + 4 + 5A + 6A + 7	8A $	Add 2B + 5B + 6B	8B $
8A minus 8B Net amount for this statement	9 $	*If the result is positive, the amount is payable to the ATO. If the result is negative, the amount will be refunded to you or offset against any other tax debt you have.*	

Declaration:

I declare that the information given on this form is true and correct, and that I am authorised to make this declaration. The tax invoice requirements have been met.

Signature Date / /

Please return this completed form to

Australian Taxation Office
Private Bag 6007
ALBURY NSW 2640

Please provide an estimate of the time taken to complete this form.
HRS MINS

NAT 3050-4.2000

The ATO is authorised by the tax laws to collect this information to administer those laws and may pass information to other government agencies.

Australian Taxation Office

PAYMENT ADVICE – 60

0000 0156 03

97 999 999 999

$

Australian Taxation Office
Private Bag 6007
ALBURY NSW 2640

EFT code 97999 999 999 9360

DRAFT FORM FOR EDUCATIONAL PURPOSES ONLY

PETER POT S CAFE
SUMMARY OF FINANCIAL TRANSACTIONS 1/7/00 TO 30/9/00

The earlier part of the workshop demonstrated how Peter s system accounts for GST through his cash book analysis of bankings. GST that Peter collects for supplies that he makes is accumulated in a GST account. In the analysis of bankings shown below the total GST collected for the quarter is separately shown. All other figures exclude GST.

ANALYSIS OF BANKINGS

Sales	-	June takings		4536
Sales	-	taxable	194164	
Sales	-	GST-free	2642	
Sales	-	Shop plant	475	
Other income — Rent flat			2340	199621
Loan from father				10000
GST collected				19464
Total bankings for the quarter				**$233621**

Peter has also paid for acquisitions in cash and taken cash for his personal use. He records these cash transactions in a notebook which he has summarised for the quarter.

The summary has to be done in two parts. The first part shows the total money not banked and the analysis of the takings from those supplies Peter made.

The second part of the summary shows how Peter spent the unbanked money and paid in cash for the acquisitions he made and also used for personal spending.

Analysis of Takings not banked

Sales	-	taxable-GST inclusive	2970
Sales	-	GST free	478
			$ 3448

Takings not banked but used to pay suppliers

Purchases	-taxable	350
Purchases	-GST free	250
Purchases	-Non-registered suppliers	250
Personal drawings		2563
GST paid		35
		$ 3448

At the close of business on 30 September, Peter had takings which he did not bank until October as follows:

Takings on hand 30/9/00

Banked in October			
Sales	-	taxable-GST inclusive	5973
Sales	-	GST free	57
			$ **6030**

ANALYSIS OF PAYMENTS — EXCLUDING PAYMENTS IN CASH

The earlier part of the workshop demonstrated how Peter s system accounts for GST through his cash book analysis of payments. GST that Peter pays for creditable acquisitions that he makes is accumulated in a GST account. In the analysis of payments shown below the total GST paid for the quarter is separately shown. GST paid for Peter s input taxed supplies is not included in the GST account.

Purchases	-May & June supplies	30900
Purchases	-Taxable	23576
Purchases	-GST Free	55013
Purchases	-Tables & Chairs	1500
Purchases	-Non-Registered suppliers	1300
Printing & Stationery		298
Power		1649
Telephone		927
Accounting Fees		1400
Legal Fees — Flat		1793
Repairs — Flat		1925
Insurance — Flat		473
Rent for Premises		15000
Insurance — shop		2300
Repairs & Maintenance — shop		1250
Entertainment Expenses		400
Bank Interest		1641
Bank Fees		539
Credit Card Fees		298
Staff wages		48600
Personal Drawings		20000
Repayments — father s loan		3000
GST paid		4640
TOTAL PAYMENTS FOR QUARTER		**$218422**

- None of the May & June supplies included GST.
- The non-registered suppliers have ABN s

- Insurance policies cover one year from 15 August 2000. Peter s premium from 1 July 2000 to 14 August 2000 was $330 including GST. He paid that, as part of the annual premium, in August 1999.

- The rent for the premises is $5500 a month including GST. Based on a valuer s report 90% of the rent is for the shop and 10% for the upstairs flat.

- Entertainment expenses are non-deductible for income tax.

- Included in wages paid is $8900 for tax deducted from staff wages. Of that $3100 related to wages paid in June. PAYG withholding from staff in September was $2800 and is not included in wages paid to 30/9/00. The net amount of wages paid to staff in September was $12277.

INFORMATION TO COMPLETE GST SECTION OF BAS ON A NON-CASH BASIS

Although Peter is registered for GST on a cash basis and will use that basis to complete his GST section of the BAS, the case study can demonstrate the non-cash basis option. To do this, lets suppose at the close of business on 30 September 2000 the totals and the analysis of the acquisitions Peter had made but had not paid for are:

• Purchases-taxable	6191	including GST
• Purchases-GST free	14445	
• Power	770	including GST
• Telephone	495	including GST

There were no amounts owing by customers to Peter for supplies he had made to them in the cafe.

INFORMATION TO COMPLETE OTHER SECTIONS OF THE BAS

Peter s total PAYE for the year ended 30 June 2000 was greater than $25000.

For the year ended 30 June 1999 Peter s income tax return included:

Total income (excluding capital gains)	850000
Total expenses	(716125)
1999 Taxable income	$133875

Using the rates of income tax for the year ended 30 June 2000, Peter s income tax on 1999 income of $133875 is say $55531.
Peter paid fringe benefits tax for the year ended 30 June 2000 amounting to $4000

WORKSHEETS FOR COMPLETING BAS ON A CASH BASIS

GST COLLECTED

Sales	-	Takings Banked	_____
Sales	-	Plant	_____
Sales	-	Takings not banked	_____
Sales	-	Takings Banked October	_____
			_____
		TOTAL GST COLLECTED =	**$** _____

GST PAID

Purchases - Taxable	_____
Purchases — Tables & Chairs	_____
Printing & Stationery	_____
Power	_____
Telephone	_____
Accounting fees	_____
Rent for premises	_____
Insurance for shop	_____
Repairs & maintenance — shop	_____
Add GST on insurance for shop paid in August 1999	_____
Add purchases paid from cash takings	_____
TOTAL GST PAID	**$** _____

Note:

GST charged on rent	_____
Less allocated as input taxed supply (10%)	_____
	$ _____

PETER POT S CAFE — BAS — SUPPLIES PETER MADE

CASH BASIS

1. Total sales and income & other supplies

Banked	_____	
Not Banked	_____	
Not Banked	_____	
GST on Bankings	_____	
	_____	**G1**

2. Exports _____ **G2**

3. Other GST Free supplies

Banked	_____	
Not banked	_____	
Not banked	_____	
	_____	**G3**

4. Input taxed income

Rent	_____	**G4**

5. G2 + G3 + G4 _____ **G5**

6. G1 minus G5 _____ **G6**

7. Adjustments _____ **G7**

8. Add G6 + G7 =
   Total taxable supplies _____ **G8**

9. Divide G8 by Eleven _____ **G9**

GST actually collected:

Bankings	_____
Takings not banked	_____
Takings on hand	_____
Agree to Box G9	_____

NON-CASH BASIS

NOTE: As Peter has no amounts owing to him at 30 September, no adjustments are required to convert the cash basis compilation to a non-cash basis.

PETER POT S CAFE — BAS — ACQUISITIONS PETER MADE

	CASH BASIS		NON-CASH BASIS		
1. Capital Acquisitions			Adjustments		
Payment — Tables & chairs	_____		_____	_____	
(including GST)	$_____	**G10**	_____	$_____	**G10**
2. Other Acquisitions					
Purchases	_____				
Printing & Stationery	_____				
Power	_____				
Telephone	_____				
Accounting Fees	_____				
Rent for premises	_____				
Insurance Shop	_____				
Repairs Shop	_____				
SUBTOTAL:					
Plus 10% GST	_____				
SUBTOTAL:					
Paid ex takings	_____				
Plus 10% GST	_____				
SUBTOTAL:					
Entertainment	_____				
SUBTOTAL:			$ _____		
Legal Fees _____					
Repairs Flat _____					
Insurance Flat _____					
Flat Rent-Paid _____	_____		_____	_____	
Paid GST Free _____					
Cash GST Free _____	_____		_____	_____	
Paid no GST _____					
Cash — no GST _____					
Bank interest _____					
Bank Fees _____					
Credit Card Fees_____	_____		_____	_____	
SUBTOTAL:					
Insurance paid 1999	_____		_____	_____	
	$_____	**G11**	$_____	$_____	**G11**
3. Add G10 + G11					
Total acquisitions	**$_____**	**G12**	**$_____**	**$_____**	**G12**

PETER POT S CAFE — BAS — ACQUISITIONS PETER MADE

	CASH BASIS		Adjustments	NON-CASH BASIS	
4. Acquisitions for Input taxed income	$ _____	**G13**	_____	$ _____	**G13**
5. Acquisitions with no GST	$ _____	**G14**	_____	$ _____	**G14**
6. Non income tax deductible acquisitions	$ _____	**G15**	_____	$ _____	**G15**
7. Add G13 + G14 +G15 = Non-creditable acquisitions	$ _____	**G16**	_____	$ _____	**G16**
8. G12 minus G16 = Total creditable acquisitions	$ _____	**G17**	_____	$ _____	**G17**
9. Adjustments	$ _____	**G18**	_____	$ _____	**G18**
10. Add G17 + G18	$ _____	**G19**	_____	$ _____	**G19**
11. Divide G19 by Eleven	$ _____	**G20**	_____	$ _____	**G20**

GST actually paid

Payments total $_____
Cash payments $_____
Insurance paid 1999 $_____
Agree to Box G20 $ _____

GST invoiced but not paid

Purchases _____
Power _____
Telephone _____
$ _____
Divide by 11 $ _____

USING THE BAS FOR MANAGEMENT INFORMATION

		BAS BASIS			
		CASH		**NON-CASH**	
INCOME:					
Total sales and income			G1		G1
Less sale of capital items (excl GST)		_____		_____	
Less debtor at start (excl GST)	1				
Add debtors at end (excl GST)	1				
Less GST for period			G9	_____	G9
TOTAL NET INCOME (A)					
EXPENSES:					
Total acquisitions			G12		G12
Less cost of capital items (excl GST)			G10		G10
Less GST for period			G20		G20
Less creditors at start (excl GST)	2				
Less stock at end (excl GST)	3				
Add creditors at end (excl GST)	4				
Add stock at start (excl GST)	3				
Add wages paid					
Add PAYG owing at end					
Less PAYE owing at start					
TOTAL EXPENSES (B)		_____		_____	
NET PROFIT (Before depreciation and income tax) (A — B)					

Note — amounts shown above for total acquisitions at G12 exclude $330 insurance premium paid August 1999 for the period 1 July to 14 August 2000. This is a one-off transaction for the first BAS.

EXPLANATORY NOTES:

1. Debtors

Peter had no debtors at start or end. Under the GST cash reporting basis amounts owing by debtors at start and end must be included to calculate net profit for the period. Under the GST non-cash basis debtors at start and end are already included in calculating the amount at Box G1.

2. Creditors

Peter had creditors at start and end. At start these were $30900 and have not been adjusted under the cash basis approach because they are not included in acquisitions for the first GST period. For the second and subsequent reporting periods creditors at start for entities reporting for GST on a cash basis must be included to calculate net profit for the period. Creditors at end for Peter — being $21223 have been included to calculate net profit and this treatment applies to cash basis reporting for all subsequent periods.

Under the GST non-cash basis creditors at start (except 30 June 2000) and end are already included in calculating the amount at Box G1.

3. Stock

For the purposes of this case study on completing the BAS trading stock has been ignored. Stock at start and end is not part of the BAS compilation. However to calculate net profit for any period the value of trading stock at start and end needs to be adjusted for.

4. Wages

Amounts paid to employees, because they are not included in acquisitions when compiling the BAS amounts, must be included to calculate net profit.

PETER POT S CAFE

STATEMENT OF TRADING PERFORMANCE

1/7/2000 to 30/9/2000

Sales		
Shop Sales		205471
Purchases	100812	
Wages	48300	
		(149112)
GROSS PROFIT		56359
Expenses		
Printing & Stationery	298	
Power	2349	
Telephone	1377	
Accounting Fees	1400	
Shop Rent	13500	
Shop Insurance	2300	
Shop Repairs	1250	
Entertainment	400	
Bank Interest	1641	
Bank Fees	539	
Credit Card Fees	298	
		(25352)
		31007
Other Income and Expenses		
Flat Rent	2340	
Flat Legal Expenses	(1793)	
Flat Repairs	(1925)	
Flat Insurance	(473)	
Flat Rent expense	(1650)	(3501)
NET PROFIT FOR PERIOD		$27506
(before Income Tax and Depreciation)		