

End of Financial Year - Let's make it easy!

The end of the financial year can be a daunting time. There are all these things that need to be done that have significant compliance and integrity implications if not done properly.

Listed below are key pointers to help you take control of the end of year process, avoid costly errors and having to get the job done repeatedly.

Summary

As a part of the year end you need to:

1. Ensure that your payroll records reconcile with your general ledger in your accounting system
2. Make sure that the PAYG tax records are the same as the tax paid to the Tax Office
3. Ensure that the payroll tax for all States in which you operate is calculated correctly
4. Review Reportable Employee Superannuation Contributions (RESC) to ensure that they are correct
5. Ensure that all employee records are correct and Tax File Numbers are valid

Reconciling Payroll Records and Your General Ledger Accounting Package

Obtain your **"Month End Payroll Summary"** provided by Aussiepay each month. Add the Year to Date "Total Payments" amount to the "Total Allowances" amount. Check to see if this total amount matches the totals for wages in your accounting system.

If the amounts are different then check to make sure that there are no outstanding payments that have not been communicated to Aussiepay. If you have made payments that are not included in your payroll records contact your consultant immediately and have an adjustment pay run processed. Please note all adjustments have to be processed by Wednesday 30th June 2010.

PAYG tax records match the tax paid to the Tax Office

On your **"Month End Payroll Summary"** report, locate the figure for Year to Date "Total Taxes". Check to ensure that this figure match the total tax paid in your accounting system and the amount of tax in your Business Activity Statement (BAS).

Reconcile your payroll tax for all States

To undertake your annual Payroll Tax reconciliation you will need:

- The **"Month End Payroll Summary"** Report to obtain "total wages", "total allowances" and "total superannuation".
- Payments to any contractor or sub contractor payments made throughout the year.
- "Grossed Up Reportable Fringe Benefits" amount from your FBT Return for the previous year.

You can undertake the annual reconciliation online or manually. The NSW and Victorian sites are:

NSW: <http://www.osr.nsw.gov.au/taxes/payroll/annual/information/>

VIC: <http://www.sro.vic.gov.au/sro/SROnav.nsf/LinkView/30676FEDDE5E2C68CA2575CA000CA2E111C80F203927331FCA2575A100441F65>

To make your job easier you can obtain a **"Year to Date Payroll Tax"** Report for just \$50.00 from your Aussiepay consultant, which outlines the 11 historical monthly payroll tax calculations.

End of Financial Year- Things to do

Review Reportable Superannuation Contributions (RESC)

This is a new requirement that requires the Payment Summaries (Group Certificates) to contain the value of superannuation contributions made. The RESC are contributions made on behalf of the employee where it is either a salary sacrifice and/or additional employer. The critical issue is whether the employee has influenced the decision.

To validate the RESC status of your employees' superannuation, please review the "RESC Report" forwarded in the week beginning 31st May 2010. Please advise your consultant of any changes to the status of the superannuation by 30th June 2010. Further information can also be found from the link below

<http://www.ato.gov.au/businesses/content.asp?doc=/content/00189411.htm&page=1&H1>

Check employee records and Tax File Numbers

Payment Summaries (Group Certificates) are official taxation documents and the information is forwarded to the Australian Tax Office. It is important that the details are correct. Details to check include:

1. Employee names are correctly spelt, addresses are current, start and termination dates are correct.
2. Tax File Numbers are valid check for any invalid numbers e.g. 111 111 111, 000 000 000 or alpha-numeric.

Once you have completed the above you are ready to give Aussiepay the authority to produce your "Payment Summaries". Once authority is provided, Aussiepay will produce your "Payment Summaries" and provide:

- Paper based employee copies;
- Paper based employer copies;
- Online "Payment Summaries" for employees with Employee Self Service access.

Aussiepay will automatically make all the necessary changes to tax coefficients, caps and thresholds so that you can start the new financial year with the comfort that your payroll is completely compliant with all the tax, and superannuation obligations.

If you have any questions, please contact your enquiry with your payroll consultant on 02 8844 0777.