



## HOW TO APPLY JOBKEEPER PAYMENTS AND OTHER STIMULUS PAYMENTS IN YOUR ACCOUNTING SOFTWARE

This article will summarise how to account for the following areas in your accounting software:

- JobKeeper – Single Touch Payroll
- JobKeeper – Reimbursement from Government
- Cash Flow Stimulus Payments from Government
- Energy Supplement Payments from Government
- Apprentice Wage Subsidy Payments from Government

The method will change depending on what software you are using, but we will give basic instructions and refer you to the attached summaries for MYOB Essentials, MYOB Accounting Right, Xero & QuickBooks for their individual instructions. If you are using another software, please refer to their website or contact our office if you require assistance.

### JOBKEEPER – SINGLE TOUCH PAYROLL

**This is a summary of the payroll process; however, we urge you to read the relevant instructions attached for step by step instructions from your relevant software provider.**

**\*\*\*(We note that there is an error in the MYOB Essentials calculation for the PAYG on \$750 on page 9 and \$1,500 on page 10. Please use the amounts calculated per your payroll software.)**

If your business is using Single Touch Payroll and you have enrolled for JobKeeper for the month of April, you need to ensure that you have nominated your employees in your STP software as well as have run a payroll and paid your employees by April 30 for the 2 fortnights. Please follow the instructions for your relevant software as to the steps involved.

There are 3 scenarios that will apply:

1. Your employee/s earn more than \$1,500/fortnight
2. Your employee/s earn less than \$1,500/fortnight
3. Your employee/s have been stood down and earn nothing.

Depending on your payroll frequency the payment will be:

Pay frequency	JobKeeper payment amount	Calculation
Weekly	\$750	$\$1,500 / 2$
Fortnightly	\$1,500	$\$1,500 \times 1$
Bi-Monthly	\$1,625	$\$1,500 \times 26 / 24$
Monthly (average)	\$3,250	$\$1,500 \times 26 / 12$

#### Employee's earning more than \$1,500/fortnight

- If all the employees on your payroll are still employed and earn more than \$1,500/fortnight, then you do not need to setup any new payroll categories, but you need to notify that ATO of the fortnight start for JobKeeper for each eligible employee.

#### Employee's earning less than \$1,500/fortnight

- For these employees, you will need to set up a new payroll category in your payroll software called 'JobKeeper Top-up'.
- Ensure that it is subject to PAYG Withholding
- Ensure that it is Exempt from Superannuation
- The payment type is Allowance – Other
- In the pay run, pay their normal salary as per normal then include another line next to the JobKeeper Top-up category for the additional amount to gross their salary up to \$1,500/fortnight (or the amount in the table above depending on your payroll frequency).

#### Employee's stood down and not earning a salary

- For these employees, you will need to set up a new payroll category in your payroll software called 'JobKeeper Top-up'.
- Ensure that it is subject to PAYG Withholding
- Ensure that it is exempt from Superannuation
- The payment type is Allowance – Other
- In the pay run, next to the JobKeeper Top-up; pay them the full amount according to the table above (depending on your payroll frequency).

The standard pay run for either the top up or stood down fortnightly salary of \$1,500 should be as follows:

Gross payment	\$1,500
Tax	\$ 192
Net	\$1,308

Super will depend on if they have any ordinary earnings in the fortnightly pay, but there is no superannuation payable on the top-up amount.

### **JOBKEEPER – REIMBURSEMENTS RECEIVED FROM GOVERNMENT**

When the reimbursements from the government are received into your bank account you will need to allocate these into your accounting software. If you have applied for JobKeeper as an eligible business participant (sole trader or Director or Beneficiary), this will apply to you and will form part of your personal assessable income for both the 2019/20 and 2020/21 financial years.

#### Setup a new income account

In your chart of accounts, you need to setup a new account under 'Other Income' and call it 'JobKeeper Subsidy - Employees'. If you have also applied for the JobKeeper subsidy for yourself as an 'eligible business participant' you should setup another 'Other income' account and call it 'JobKeeper Subsidy – eligible business participant'. Ensure that the tax code chosen is No Tax, meaning it is exempt from appearing on the BAS.

#### Receipting the reimbursement

When the reimbursement is received, allocate the portion that applies to your employees to the account 'JobKeeper Subsidy - Employees' account that you setup above and if applicable allocate the portion that relates to the eligible business participant to the account 'JobKeeper Subsidy – Eligible business participant'.

### **CASH FLOW STIMULUS PAYMENTS FROM GOVERNMENT**

By now some of you may have already received the first cash flow stimulus from lodging your March IAS or BAS. Depending on your situation, this would have either been a credit of \$10,000, 100% of the PAYG for the March Quarter or 300% of the PAYG for the month of March.

### Setup a new income account

In your chart of accounts, you need to setup a new account under 'Other Income' and call it 'Cash Flow Stimulus – non assessable'. Ensure that the tax code chosen is No Tax, meaning it is exempt from appearing on the BAS.

### Receipting the stimulus

Depending on whether you lodge a BAS, and IAS and whether your frequency is monthly or quarterly will depend on how you code the stimulus amount. A few examples are below:

#### **Example 1:**

##### ***Business Activity Statement with PAYG Withheld less than \$10,000***

The figures in the BAS were as follows:

GST Collected	\$7,290
GST Paid	(\$3,216)
PAYG Withheld	<u>\$1,221</u>
Total payable	\$5,295

When the BAS is lodged, the ATO would have generated a credit to the account for \$10,000 because the total of the PAYG withheld is less than \$10,000. This is then offset against the amount owing on the BAS, which would create a credit of \$4,705. This is the amount that would then be deposited into the bank account and needs to be coded.

You will need to split the amount received as follows:

GST Collected	-\$7,290
GST Paid	\$3,216
PAYG Withheld	-\$1,221
Cash Flow Stimulus	<u>\$10,000</u>
Net Amount Received	<u>\$4,705</u>

#### **Example 2:**

##### ***Instalment Activity Statement with PAYG Withheld less than \$10,000***

The figures in the IAS were as follows:

PAYG Withheld	\$1,221 (employee tax)
PAYGI instalment	<u>\$3,400</u> (personal tax)
Total payable	\$4,621

When the BAS is lodged, the ATO would have generated a credit to the account for \$10,000 because the total of the PAYG withheld is less than \$10,000. This is then offset against the amount owing on the BAS, which would create a credit of \$5,379. This is the amount that would then be deposited into the bank account and needs to be coded.

You need to split the amount received as follows:

PAYG Withheld	-\$1,221
PAYG Instalment	-\$3,400 (depends on the entity where this is coded)
Cash Flow Stimulus	<u>\$10,000</u>
Net Amount Received	\$5,379

**Example 3:****Quarterly Business Activity Statement with PAYG Withheld more than \$10,000**

The figures in the BAS were as follows:

GST Collected	\$7,290
GST Paid	(\$3,216)
PAYG Withheld	<u>\$11,251</u>
Total payable	\$15,325

When the BAS is lodged, the ATO would have generated a credit to the account for \$11,251 being 100% of the PAYG Withheld for that quarter. This is then offset against the amount owing on the BAS, which would reduce the amount payable on the BAS by \$11,251. The difference of \$4,074 then needs to be paid by the BAS due date.

When the payment is made, you will need to split the payment as follows:

GST Collected	-\$7,290
GST Paid	\$3,216
PAYG Withheld	-\$11,251
Cash Flow Stimulus	<u>\$11,251</u>
Net Amount Paid	<u>\$4,074</u>

**Example 4:****Monthly March Business Activity Statement with PAYG Withheld more than \$10,000**

The figures in the BAS were as follows:

GST Collected	\$7,290
GST Paid	(\$3,216)
PAYG Withheld	<u>\$11,251</u>
Total payable	\$15,325

When the BAS is lodged, the ATO would have generated a credit to the account for \$33,753 being 300% of the PAYG Withheld for that month. This is then offset against the amount owing on the BAS, which would reduce the amount payable on the BAS by \$33,753. This would result in a refund of \$18,428 which is then deposited into the bank.

You need to split the amount received as follows:

GST Collected	-\$7,290
GST Paid	\$3,216
PAYG Withheld	-\$11,251
Cash Flow Stimulus	<u>\$33,753</u>
Net Amount Received	<u>\$18,428</u>

## ENERGY SUPPLEMENT FROM STATE GOVERNMENT

The Queensland State Government issued \$200 credits to eligible household electricity accounts as well as \$500 credits to small business electricity accounts. If you have been in receipt of these then you need to do the following.

### Setup a new account

Under 'Other Income' set up an account called 'Government Subsidies – Electricity'. Ensure that the tax code chosen is No Tax, meaning it is exempt from appearing on the BAS.

### Paying your electricity bill

When you receive your bill, the credit should be automatically credited to the account, therefore the amount owing will be less than the electricity you used. Depending on whether you were eligible for the \$200 or \$500 credit, the payment should be allocated like this.

E.g. Electricity used for the period was \$1,000, less the \$500 subsidy leaves \$500 owing.  
When you pay the \$500:

Split the payment as follows:

Electricity	\$1,000 including GST
Government subsidies – electricity	<u>-\$ 500</u> no tax
Payment made	\$ 500

## APPRENTICE WAGE SUBSIDY REIMBURSEMENT

Businesses can now register to apply for a 50% wage subsidy on eligible apprentices for wages paid between 1 January 2020 and 30 September 2020 (the apprentice must have been in-training as at 1 March 2020). Business will be reimbursed up to \$7,000 per quarter, up to a maximum of \$21,000, per eligible apprentice or trainee. Applications can be made between April 2020 until 31 December 2020.

Please note that if you are claiming JobKeeper, you cannot apply for this subsidy for the same employee and vice versa.

### Setup a new income account

Under 'Other Income' setup an account called 'Government Subsidies – Apprentice Wage Subsidy'. Ensure that the tax code chosen is No Tax, meaning it will be exempt from appearing on the BAS.

### Receipting the subsidy

When the subsidy is paid into your bank account, record the amount to the account setup above.

## CONTACT US

Our Office remains open for business however, we have closed the doors to the public and our Accountants are now working remotely from home until the Government allows us to return to work in the Office. Please phone the office on 07 4038 8888 and Angela will arrange for the Accountant to call you back, or alternatively email us at: -

David Goodman      [david@dgca.com.au](mailto:david@dgca.com.au)  
Mandy Beeton        [mandy@dgca.com.au](mailto:mandy@dgca.com.au)  
Rachel Grant         [rachel@dgca.com.au](mailto:rachel@dgca.com.au)

**Return phone calls from the Accountant will display as unknown number.**

**You can now find us on Facebook and Instagram, and we will be posting updates regularly to keep you informed.**

**If you are satisfied with our service, please do us the honour of leaving a review!**

We are here to support all our clients and provide advice regarding your particular situation.

Suite 16 Level 1 'Stanton Place'  
2-4 Stanton Road  
Smithfield QLD 4878

PO Box 475  
Smithfield QLD 4878

P (07) 4038 8888  
F (07) 4038 2283

[www.dgca.com.au](http://www.dgca.com.au)