

GST (VAT) Transaction Types used for Purchasing in NS Financials

Effective Date: 25 June 07 V1.10 changes in RED

SHORT DESCRIPTION	LONG DESCRIPTION Questions? Email the Tax Manager Anthony Watson: awatson@unsw.edu.au or extn 51313	Purchasing Codes	
		Capital >=\$5,000	Non-capital See note below
ACQUISITIONS (Purchases)	Acquisitions are the goods or services which the University buys. Transactions affected: Requisitions, Purchase Orders, Credit Card Reconciliation, AP Vouchers & Journals.		
• GST In Price, GST Is Claimable	The purchase of taxable goods or services where GST is charged and it can be claimed (ie as an Input Tax Credit – ITC). This applies to the majority of purchases.	AC	AO
• GST In Price, GST Not Claimable & Relates To An Input Taxed Supply	The purchase of taxable goods or services which are input taxed supplies but the GST charged (ie an ITC) cannot be claimed. E.g. financial supplies (such as shares and bank charges), and certain supplies relating to accommodation.	ACIT	AOIT
• GST In Price, GST Not Claimable & Relates To Specific Non-Deductible Items	The purchase of taxable goods or services which are specific non-deductible items but the GST charged (ie an ITC) cannot be claimed. E.g. meal entertainment, fines and penalties. Also used for transactions where the original tax invoice, docket or receipt is lost. Note: For meal entertainment expenses, also refer to the Fringe Benefit Tax (FBT) Guidelines as these purchases may also attract FBT.	NIAC	NIAO
• GST Free Purchase, No GST In Price.	The purchase of goods or services with no GST in the price. These are referred to as GST Free purchases. E.g. GST-free basic food; water; sewerage and drainage; also used for purchases made which are consumed or used overseas eg accommodation; international air fares, taxi fares etc. If goods and services are imported into Australia use the IMxx codes below.	FRAC	FRAO
• No ABN or Declaration, Payment Made, ABN Withholding Applied	Used where the Supplier you are buying from does not have an ABN number, and hasn't provided a declaration form (Statement by Supplier). UNSW are required to withhold 46.5% of the payment as withholding tax.	NABC	NABN
• Importation Of Taxable Goods And Services	The overseas purchase of goods and services imported into Australia, where, had they been purchased in Australia instead, would have been subject to GST. E.g. machinery, equipment, computers, software etc.	IMAC	IMAO
• Importation of GST-Free Goods And Services	The overseas purchase of goods and services brought into Australia, where, had they been purchased in Australia instead, would have been GST-Free anyway. E.g. Pharmaceutical and medicinal drugs. Also for goods imported into Australia that don't require customs declaration.	IMFC	IMFO
• Out Of Scope Payments	Purchases or payments which are not reported on the ATO Business Activity Statement (BAS). E.g. transactions between members of same GST group, payments of taxes (eg. PAYG, payroll tax, employer payments such as wages, super), and gifts and donations.	EXCL	EXCL
• Interim Process for Taxable Importations	This code is used for initial transactions in relation to Travel Allowances and Cash Advances.	EXAD	EXAD

How to use this Table - Purchases

1. In both the "Acquisitions" and "Long Description" columns, read through the information to identify which one applies to the purchase you are making.
2. If the purchase is for an Asset only, determine if the total unit price of each asset is >=\$5,000 (excl GST).
3. If it is an Asset purchase >=\$5,000 select the code in the Capital column.
4. **Otherwise, if it just a general purchase of goods or service or an Asset purchase <\$5,000, select the code in the Non-Capital column.**
5. On the VAT Details page for that purchasing line item, set the VAT Transaction Type to the code in the corresponding column.

Important Note: In some cases, a single purchase amount is made up of two or more different types of VAT Transaction Types. This is called a mixed supply. Eg: you buy both GST Free and GST supplies from a supermarket using your university credit card. For the reconciliation, you would need to split the amount into 2 lines containing the GST and GST Free amounts. The portion of the purchase containing GST would have the VAT Transaction Type set to AO, and the portion of the purchase which was GST Free would have the VAT Transaction Type set to FRAO (assuming they were all non-capital items).

GST (VAT) Transaction Types used for Billing in NS Financials

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SHORT DESCRIPTION	LONG DESCRIPTION	Billing Codes
	Questions? Email the Tax Manager Anthony Watson: awatson@unsw.edu.au or extn 51313	
SUPPLIES (Bills)	Supplies are the goods or services which the University provides to its customers. Transactions affected: Billing / Invoice Generation, Journals.	
• Taxable supplies	The sale of goods or services that require 10% GST to be charged (majority of bills).	SALE
• GST-Free Exported Supplies	When selling goods to an overseas customer/buyer. No GST is charged. However, the goods must leave Australia within 60 days of invoice or receipt of consideration, whichever is first. Otherwise, GST will be added. E.g. grants made to overseas bodies and services where the grant is performed outside Australia.	EXPT
• GST-Free Other Supplies	Other sale of goods or services that are GST free. No GST is charged. E.g. education courses such as degree and post-graduate diplomas; sale of a going concern; and sale of donated second hand goods.	FREE
• Input Taxed Supplies	Sale of input taxed supplies. No GST is charged. E.g. Residential rent - certain rental income from Kensington Colleges; certain fund-raising activities.	ITAX
• Out Of Scope	Sales or income which is not reported on the ATO Business Activity Statement (BAS). E.g. Transactions between members of same GST group; money received but no supply made i.e. gifts and donations.	EXCL

How to use this Table - Bills

1. In both the "Supplies" and "Long Description" columns, read through the information to identify which circumstance applies to the invoice you are raising.
2. On the VAT Details page for each bill line, set the VAT Transaction Type to the code in the corresponding Billing Codes column.

Note: The default VAT Transaction Type for all Bills = 'SALE'. Therefore you only need to change the code if you're NOT billing with the standard GST added, ie if it is anything other than 'SALE'.

Where to Get Help?

If you are unsure as to which code to apply to your purchase or bill, contact the Manager, Tax Anthony Watson, email: awatson@unsw.edu.au phone 02 938 51313 in Financial Control, Chancellery.

Please provide all details of the item(s) in question and the circumstances, and he will guide you as to the correct code to use.