1. **Statement**
This Standard shows how to process payments/revenue for GST amount only in FAMMIS.

2. **Scope**
Compliance with this standard is mandatory.
This standard shall apply to all employees, contractors and consultants within the Department of Health divisions and commercialised business units as well as Hospital and Health Services.

3. **Requirements**

   **Introduction**
   There have been occasions when it has been necessary to process payments or revenue for GST only amounts. This may occur when an adjustment Invoice is supplied that changes the Supply from GST–Free to Taxable or an invoice is received from Customs for an import that is over the threshold and GST is applicable.

   **Accounts Payable Example:**
   An invoice is received for $100.00 GST ONLY payable to vendor. The entire amount of $100.00 is available as an Input Tax Credit, having met the appropriate criteria (e.g. compliant Tax Invoice etc.).

   If the payment of $100.00 is processed using Tax Code P0, then SAP/FAMMIS will automatically deduct 1/11th from this $100.00 ($9.09) and this would be the amount Queensland Health would receive as an Input Tax Credit. This is not correct.

   To process the payment to the vendor as well as claim the full Input Tax Credit, a grossing up process needs to be used. Using the example of the payment of $100.00 GST only, the General Purpose Voucher should look similar to that below:

   **Remit Message:**  
   **Payment of GST only on Inv No 123456**

<table>
<thead>
<tr>
<th>Line</th>
<th>Amount</th>
<th>Tax Code</th>
<th>GL Account</th>
<th>Centre</th>
<th>Internal Order Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>$1,100.00</td>
<td>P0</td>
<td>5XXXXX</td>
<td>Your Cost Centre</td>
<td></td>
<td>Payment of GST only (details)</td>
</tr>
<tr>
<td>4</td>
<td>-$1,000.00</td>
<td>P9</td>
<td>5XXXXX</td>
<td>Your Cost Centre</td>
<td></td>
<td>Payment of GST only (details)</td>
</tr>
</tbody>
</table>

   **Log into FAMMIS (SAP R/3)**
The following screen will appear:

1. Enter Document Date
2. Enter Reference (this will be the invoice number for the GST only invoice)
3. PstKy will default to 31
4. In the Account Field enter the Vendor Account Number
5. Click on Enter or Green Execute Tick
To enter first line item go to the PstKy and enter 40 (Dr.). Enter the General Ledger Account Code. Enter and the following screen will appear.

1. Enter the amount the Vendor is to receive from QH; e.g. $100.00
2. Ensure the Calculate Tax button is ticked
3. Enter Bus.Area
4. Leave Pymt Block at X. This will unblock when voucher is verified
5. Enter the required text, ensuring this is meaningful for future identification and reference purposes. This completes the Vendor line

This screen is merely to check the details of the vendor. Click on Enter to proceed to the next screen.
1. Enter the GST inclusive amount (i.e. GST x 11)

2. Enter Tax Code P0, Cost Centre and Business

3. Enter “+” sign in Text Field. This allows the Text field to be populated by clicking on the Green Tick. This will duplicate the text from the screen Add Vendor Item. Otherwise simply type the text again.

4. Enter the PstKy 50 (Cr)

5. Enter the General Ledger Account Code

6. Click on Enter
1. Enter GST exclusive amount (GST x 10)
2. Enter Tax Code P9, Cost Centre and Business Area
3. Enter “+” sign in Text Field. This allows the Text field to be populated by clicking on the Green Tick. This will copy the text from the vendor line. Otherwise simply type the text again.
4. Click on Document Overview Icon

Click on the Save Icon
Go to Document > Simulate
This shows the amount of GST that is being paid to the Vendor

This shows the correct amount of GST that is required to be posted to the GST Input Credit Account

The appearance of a Document Number indicates that this has been successfully processed.
This will result in no additional cost to the Cost Centre processing the payment, as the GST (of $100.00 in this case) automatically posted directly to the GST Account 122040.

**Accounts Receivable Example:**

Queensland Health is to raise a customer invoice for $100.00 GST ONLY. The entire amount of $100.00 is GST payable to the Australian Taxation Office. As postings cannot be made direct to GST accounts, the following process is to be used which will result in a Customer Invoice Document being created as well as the posting to the appropriate GST account:

**Log into FAMMIS (SAP R/3)**

For this process to work, it is essential that the 01 or Vendor Line Item is performed **FIRST**.

To perform 01 / Customer Line Item:
1. Enter Document Date

2. Enter any other reference number or header text (not mandatory)

3. Enter PstKy 01

4. Enter Customer Account No. Use drop down arrow if this number is not known and perform normal search criteria

5. Click on Enter or Green Tick

1. Enter the amount the customer is required to pay (in this case the GST only amount)

2. Ensure the Calculate Tax is ticked on

3. Enter the Business Area and Text. This completes the Customer Line of the transaction
To perform 40 – Debit Line:
Scroll down on the screen shown above to enter the **PstKy 40 (Dr)** and the **General Ledger Account Code** as shown below:

Click on Enter to proceed to the next screen.

To perform 50 – Credit Line:
Scroll down on the screen shown above to enter the **PstKy 50 (Cr)** and the **General Ledger Account Code** as shown below:

Click on Enter to proceed to the next screen.
1. Enter the GST Inclusive Amount (GST x 11)

2. Enter Tax Code (S0)

3. Enter Cost Centre and Business Area

4. Enter Text preceded by an * otherwise the text will not show up in other reports

5. Click on Document Overview Icon and the following screen will appear

Click on Document > Simulate
1. Any line item that has a taxable tax code attached will then have the tax calculated and another line will be added to the transaction. When the GST amount shows against the GST Collected Account Code of 213090, this will indicate that the process has been correctly carried out.

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>001  91 R3</td>
<td>140240 OR J CITIZEN</td>
<td>100.00</td>
</tr>
<tr>
<td>002  94 R3</td>
<td>800000 OTHER-RECEIPT GEN</td>
<td>1,000.00</td>
</tr>
<tr>
<td>003  50 R3</td>
<td>800000 OTHER-RECEIPT GEN</td>
<td>1,000.00</td>
</tr>
<tr>
<td>004  50</td>
<td>213090 PAY-GST COLLECTED</td>
<td>100.00</td>
</tr>
</tbody>
</table>

This gives the Document Number that has been created. Proceed to print out the compliant Tax Invoice so that the customer, if registered for an ABN & GST can claim this amount as an Input Tax Credit.
4. Related legislation and documents

- A New Tax System (Goods and Services Tax) Act 1999
- GST Standard – When GST is not 1/11th of the Total Price

5. Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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</thead>
<tbody>
<tr>
<td>GST Act</td>
<td>A New Tax System (Goods and Services Tax) Act 1999</td>
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<tr>
<td>ATO</td>
<td>Australian Taxation Office</td>
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Version Control

<table>
<thead>
<tr>
<th>Version</th>
<th>Date</th>
<th>Comments</th>
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<tbody>
<tr>
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<td>05/06/2006</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>03/06/2011</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>01/06/2015</td>
<td>Policy Rationalisation Project</td>
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</table>