1. **Statement**

   This Standard describes the processes and treatment of manual Tax Invoices.

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**

   Due to the nature of the business operations of the department and the Hospital and Health Services, situations may arise where it is necessary to issue a Manual Tax Invoice. This may occur when Taxable Supplies are made to other entities or businesses but the transaction is processed outside of the FAMMIS system. (Note: FAMMIS and HBCIS produce their own Tax Invoices.)

   Occasionally, a cash receipt may have been processed through FAMMIS but the customer has requested a Tax Invoice. As an example, an item of second-hand furniture was sold and the money received was entered into FAMMIS, but the person who purchased the item requested a Tax Invoice because the furniture was for use in the purchaser’s business.

   This procedure aims to guide staff in the use of the QHEPS based online Manual Tax Invoice to enforce the utilisation of the standardised compliant template across Queensland Health and the Hospital and Health Services. It is assumed that users of Manual Tax Invoices will have a basic knowledge of Tax Invoice requirements which are found in the GST Standard – Tax Invoices. This Standard should be read in conjunction with that Standard.

   **Note:** References to Queensland Health in this document also has reference to the Hospital and Health Services.

   **Situations Requiring Manual Tax Invoices**

   The nature of business within Queensland Health may give rise to the necessity to use MTIs. The most common situations would relate to:

   - Trade-Ins
   - Library sales
   - Sale of second-hand goods
   - Attendance Fee for Taxable Training Courses
Trade-Ins

When asset items are traded in on a replacement item, it will be necessary to issue the supplier with an Manual Tax Invoice for the trade in. When QH trades an item in, QH is effectively selling that item to the supplier of the new item. For instance, if QH purchases a new vehicle worth $25,000 less the trade in of an existing vehicle for $8,000, QH will pay a net amount of only $17,000. However, as the new vehicle will be added to the Asset Register, it must be capitalised for its full value of $25,000.

Therefore, although a payment of only $17,000 is made, the asset register will record the value of the trade in and the payment (equating to $25,000) and the dealer will need to account for the difference between the selling price and the amount received ($8,000). Therefore, the Manual Tax Invoice issued by QH will account for this difference.

Refer to Standards - Trade-Ins & Motor Vehicle for further information.

Library sales & Sale of second hand goods

QH has several areas that may sell low value items to the public. For example, QH Libraries may sell publications or media products (books, journals, videos, DVDs etc.) to members of the public including patients, students, staff and external health professionals. Although libraries may transact these sales using a cash register or cashbox, some customers may require a Tax Invoice. Since the money received from such sales may be collectively receipted into FAMMIS a Tax Invoice would not be issued for each transaction. However, our customers have a right to receive a Tax Invoice upon request which gives rise to the need to create an Manual Tax Invoice.

Manual Tax Invoice issued prior to payment being made

If a Manual Tax Invoice is issued to a customer prior to payment being received, it is imperative that a copy of the Manual Tax Invoice is provided to your Revenue Officer. The details of the Manual Tax Invoice need to be converted to a system (FAMMIS) generated Tax Invoice in the month it was created. Therefore, it is advisable not to batch-process copies of Manual Tax Invoices but submit them to the Revenue Officer as they are created.

Attendance Fee for Taxable Training Courses

When QH conducts training courses for staff members and/or non-staff members, it may be necessary to issue a Manual Tax Invoice for attendance by the non-staff members. An enrolment and payment form issued by QH can also be a Tax Invoice once paid. However, an Manual Tax Invoice may be requested, especially if an attendee's fee is paid by their employer or another GST registered organisation. An alternative option is to issue a registration form which becomes a Tax Invoice on payment.

Online Manual Tax Invoice (QHEPS)

The online Manual Tax Invoice used by Queensland Health can be found on QHEPS. The link opens the online Excel file consisting of two worksheets, Instructions and Tax Invoice. Care should be taken to read and understand all the information contained in the Instructions worksheet.

Once the instructions are understood, the details of the supply can be entered into the yellow cells of the Tax Invoice worksheet. Ensure all error messages have disappeared. Correct any omissions or errors if the error messages are still present. Refer to the Instructions worksheet for further assistance.
Once the Tax Invoice has been completed (without error messages) the words ‘invalid invoice’ will be replaced by the words ‘tax invoice’. The file should then be saved in a local directory. The upper copy of the MTI can be given to the customer.

When using the online MTI, enter an Asterisk (*) into the Tax Status box against each line item if the item is a Taxable Supply GST will be calculated as 1/11th of the line item amount. If this box is left blank, the line item will be treated as GST Free.

<table>
<thead>
<tr>
<th>Description</th>
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<tbody>
<tr>
<td>Taxable Supplies issued on Manual tax Invoice</td>
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<tr>
<td>GST Free/Exempt Supplies issued on Manual tax Invoice</td>
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**Record Keeping**

The second copy (bottom section) of the Manual Tax Invoice should then be printed and filed. All Manual Tax Invoice copies should be filed in Invoice Number order or in chronological order. Should invoices be created on a regular basis, it would be prudent to create a register of invoices issued.

The register should contain the following information:

- Tax Invoice Number
- Date Issued
- Recipient’s Name
- A Brief Description of the Supply
- Amount Received
- Amount of GST charged

Copies of Manual Tax Invoices must be retained for a period of 5 years to satisfy ATO audit requirements. The register details above will assist in searching for specific MTI information.
4. Related legislation and documents

- A New Tax System (Goods and Services Tax) Act 1999
- GST Standard: Motor Vehicles on QHEPS
- GST Standard: Tax Invoices on QHEPS
- GST Standard: Trade-Ins on QHEPS
- Online Manual Tax Invoice on QHEPS

5. Definitions

<table>
<thead>
<tr>
<th>Term</th>
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<tr>
<td>GST Act</td>
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Version Control

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Note that the Name and ABN of the Hospital and Health Service must appear on the Tax Invoice to be valid.