ATO Reportable Sub-Contractor Payments

This document will explain:
The suggested setups and procedures required to assist with identifying reportable transactions.
How to identify reportable purchases.

The suggested setups and procedures below are to assist you with identifying the reportable transactions to comply with the new ATO requirements for 'Taxable payments reporting – building and construction industry'.

The assumption is that you are purchasing all sub-contract labour using 'Special' type stock as you will be tracking the cost of this labour against jobs. If some of the sub-contract labour is not chargeable to clients, it should still be added to the relevant job and invoiced out at zero (if it is 'internal' ie not for a client, then add a job for your own company and assign the labour stock to that job).
NOTE: If you were previously expensing the subcontractor labour you should consider changing the method.

Create a Cardfile Non Report Group

Go to Tools>Groups>Cardfile>Non Report>Right Click on Root>select Add Group>add a new Cardfile group eg SC Reportable
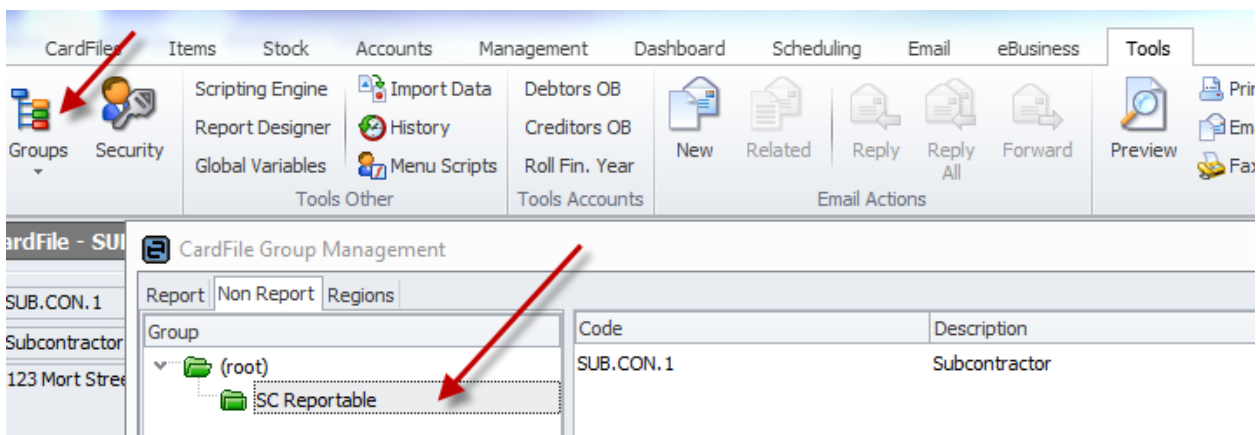
Assign the relevant Vendor Cardfiles to the new report group

Go to Cardfiles>Create Cardfile List>Vendors only>edit the relevant vendor cardfiles for your reportable sub-contractors and assign them to the new Cardfile report group
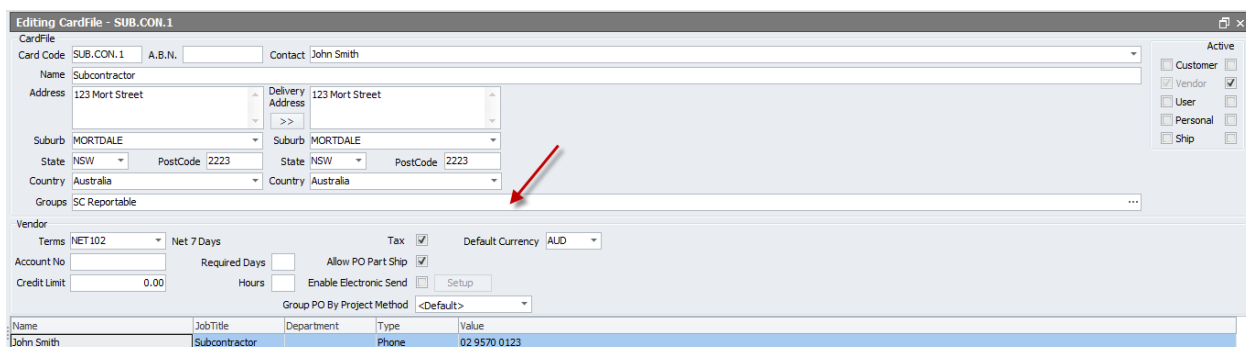
Add a Non Depleting Stock Record

Go to Stock>Add Stock>add a Non Depleting type stock record to use as a 'flagging' mechanism on reportable Purchase Orders. Unit can be Hour, tick 'Buy' and untick 'Sell' this stock. You will not be putting a cost against this stock, or selling this stock, it is simply a mechanism to identify the reportable purchase orders.

Add a Purchase Order for each reportable invoice provided by your subcontractors

You should add a Purchase Order for all subcontractor labour using the 'Special' labour stock code and the new non-depleting 'SC.REPORTABLE' stock code as this is your means of identifying the reportable PO's.


Add 'watchouts' to the relevant vendor Cardfiles

Go to Cardfiles>Create Cardfile List>Advanced List>by Group SC Reportable to generate a list of the relevant vendors. Edit each Cardfile in the list and add one or two 'Watchouts' as prompts to add the 'flagging' stock record to each reportable PO.

The following watchouts will appear when you 1) add a PO and select the vendor and move off the vendor field,
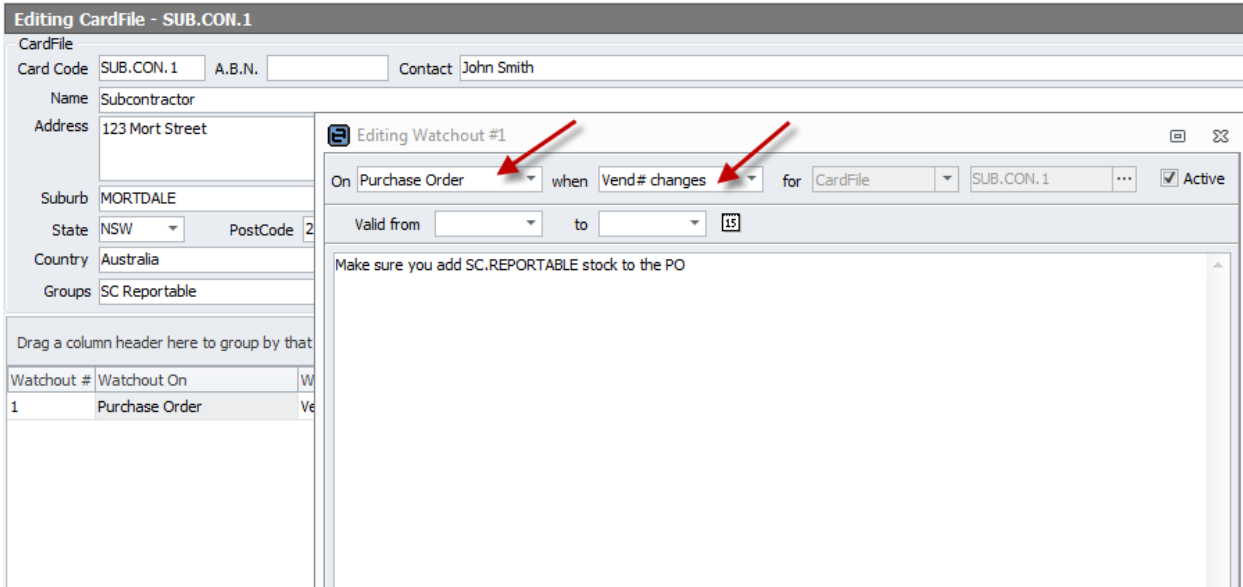
and 2) when you set a PO to FINISH but before you save it.
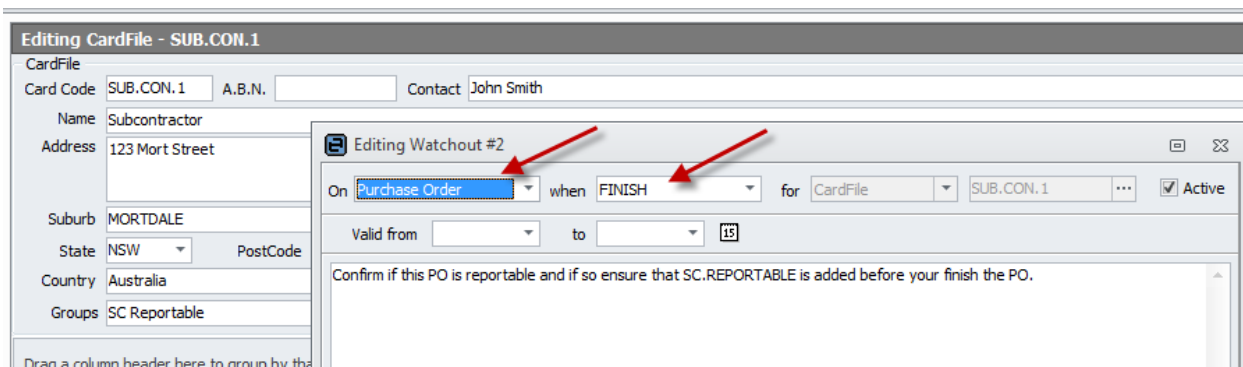
Identifying reportable Purchase Orders

To compile the report for the ATO you need to identify the reportable payments. In Jim2 terms this means you first need to identify the reportable PO's, then confirm if they have been paid within the reporting period.

Go to Purchases>Create PO List>Advanced List
At the top right of the list unselect Active and Received and select Finish
Select the required date range by Inv Date for the reporting period eg financial year
Select the flagging stock code SC.REPORTABLE
If you want all reportable vendors to be included in your list then select the Vendor Group SC.REPORTABLE and run
If you want to run the list separately for each vendor then just select the vendor and run.

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The list will provide you with the reportable PO's with an invoice date within the specified period, but you will need to confirm which of these PO's have been paid before you can complete your ATO reporting.

Generating reports

If all the PO's have been paid within the specified reporting period, you can simply print out the PO List – By Vendor report which will give you the inc GST total of the PO's in the list.

If not all PO's have been paid within the specified reporting period you will need to manually calculate the total of the reportable PO's. If you right click in the list>select Export Data from the drop down menu>you can save the data as an excel file.

For further assistance or information please call Happen support on 02 9570 4696 or email support@happen.biz