Changing GST Reporting from Cash to Accrual

This document will explain:
How to move from Cash based GST Reporting to Accrual based GST Reporting

For the purpose of this document, we are assuming that you will be changing your GST Calculation method as at 01/07/20XX from Cash to Accrual.

This is a tricky changeover in that you need to take a bit of a "hit" on transactions dated up to 30th June that were processed using the CASH method - they will need to be treated as ACCRUAL now, and reported to the ATO for the first BAS period of the new financial year.

We will assume that you have been running regular GST sessions (Cash Method) to flag reported transactions. If this is the case, then we recommend the following steps be followed to ensure that no transactions remain in limbo.
NOTE: The General Ledger balance for GST Collected and GST Paid report on an "accrual" basis - so users will have a good checkpoint to balance to.

1. In your LIVE database, do a real CASH GST Session for the Date to < 30/06/20XX. Print the report - mark it "A" and use these figures when you lodge your June 20XX BAS.
2. BACKUP the database to create a copy to work on (get your Network Administrator to restore this as a new database named "GST Changeover" or similar).
3. On the COPY database you need to deal with any unpaid or part paid documents prior to 01/07/20XX. Pay all debtors and creditors where Invoice or Purchase Order date is less than 01/07/20XX. Now do another CASH GST session for the Date to <   30/06/20XX. Print the report - mark it "B" – you will be INCLUDING these figures in your first BAS in the new financial year.
4. Back in the LIVE database, change TOOLS> OPTIONS> ACCOUNTING> GST Calc Method to ACCRUAL.
5. Run a dummy ACCRUAL GST session for the Date to < 30/06/20XX and "Select All", "Select All Types" and Reconcile to clear all old transactions.

NOTE: You may have a huge amount of transactions to clear as all transactions since you commenced with Jim2® will be included. IGNORE RESULT.

Now you are ready to continue in the real Jim2® database – Jim will calculate all transactions on an accrual basis for GST from 01/07/20XX.

The combined results of reports B and your next GST Session will equal what needs to be reported on your next BAS. The General Ledger balance for GST Collected and GST Paid "should" be very close to this total – give or take rounding from previous payments entered.

NOTE: Once you have changed your GST Calculation Option in your Live Jim2 Database to Accrual, those reports relating to Cash Sessions will still be correct and accessible.

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