

2.5 EMPLOYEES: PAYROLL

IF USING RECKON ACCOUNTS INTEGRATED PAYROLL SYSTEM

A. Reconciling Payroll Expenses (Salary & Wages) and Superannuation Expense

Generate Payroll Summary Report [By Total]

- From the **Reports menu** on the tool bar, select **Employees & Payroll**; select **Payroll Summary**;
- Select **Modify Report** (if it hasn't already opened automatically); on the **Display** tab ensure the **Report Date Range** is set to **Last Payroll Year**;
- Under the **Columns** section, select "Display Columns by" **Total Only (scroll all the way to the top, it is the first item on list, then click OK)**;
- Whilst still in the Modify Report window, under the "Add sub columns for" section, un-tick **Hours** and **Rate**; click **OK**;

Generate Profit & Loss

- From the **Reports menu** on the tool bar, select **Company & Financial**; select **Profit & Loss Standard**;
- Select **Modify Report** (if it hasn't already opened automatically); on the **Display** tab ensure the **Report Date Range** is set to **Last Financial Year**; click **OK**;
- Compare these 2 reports to ensure that salaries & wages (*which should be a sub-category of Employee benefits expense*) on the P & L report, matches to the Adjusted Gross Pay on the Payroll Summary Report [By Total]. The only discrepancy that should exist is **IF** your report includes payroll items such as deductions and reimbursements. These amounts will not be included on your P & L report (*of which you should already be aware of*). If there are further discrepancies you are not sure of, please contact our office.

B. Reconciling Gross Wages and PAYG Entered in Reckon Accounts to W1 And W2 Reported to The ATO_Generate Payroll Summary Report [by Month/Quarter]

1. Using the *Payroll Summary Report by total* generated in A above, select **Modify Report**. On the **Display** tab select Display Columns by **Month/Quarter**, depending on whether you report on a monthly or quarterly basis. If you report monthly, you will need to select **Month**; click **OK**;
2. The **Bove Payroll Reconciliation spreadsheet** contains 4 worksheets and has been provided via the Bove Client Portal on 16 June 2020. There are 2 example worksheets for you to follow (one Example for monthly IAS reporting and the other Example for quarterly BAS reporting). These example worksheets are identifiable as they begin with the words "Example-".
3. To prepare the reconciliations, you will need to use one of the following tabs: -
 - Monthly Payroll Reconciliation (if you lodge monthly IAS/BAS);
 - Quarterly Payroll Reconciliation (if you lodge quarterly BAS only).
4. You will need to have a copy of all your IAS/BAS statements and enter the W1 figure and W2 figures under the columns headed: -
 - Reported to ATO W1; and
 - Reported to ATO W2

5. Using the Payroll Summary Report [By month/quarter] you were asked to generate in 2.5 B 1. above enter as follows: -

- The figures in the row named "Gross Pay" to the "Actual Reckon Accounts W1" on the spreadsheet. Please note however, if your payroll summary report shows an account called "Reimbursed/Reimbursable Expenses", this figure must be subtracted from the "Gross Pay" figure before entering the spreadsheet; and
- The figures in the row named "PAYG Tax" to the "Actual Reckon Accounts W2" on the spreadsheet. Please note that these amounts need to be entered as a positive figure even though the reports show them as a negative.
- If you find you have a discrepancy, at the end, unless it relates to the month of June, you will either need to: -
 - Add/subtract the discrepancy to the June BAS;
 - Amend the IAS/BAS, the discrepancy related to; or
 - Contact our office

C. Reconciling Payroll Liability (IMPORTANT: DO NOT ignore this section)

Reconcile PAYG Withholding Liability Account and Superannuation Payable Liability Accounts to 30 June 2020. If you are unsure as to how to do this, please contact our office for further instructions.

D. Generating PAYG Payment Summaries (for reconciliation purposes only)

- Using the *Payroll Summary Report by total* generated in Item 2.5 B 1 above, select **Modify Report** (if it hasn't already opened automatically); on the **Display** tab select Display Columns by **Employee**; click **OK**, then **Print**;
- From the **Employees** menu on the Tool bar, click **Process Payment Summaries**, then **Select Payment Summaries to Print**. Ensure the **Tax Year** shows **2019/2020**; then click on the **Select All** button on the right hand of the screen and select **Preview**. Each *PAYG payment summary* will be displayed.
- Now compare the Payroll Summary Report by Employee to the *PAYG payment summaries*. Once satisfied, print or PDF all reports.
- **Return the Bove Payroll Reconciliation spreadsheet with copies of the PAYG Summaries issued to your employees.**

E. FINAL STP for the 2019/2020 Financial Year which satisfies Payroll PAYG Withholding Obligations (with the Australian Taxation Office)

Single Touch Payroll ("STP")

At this point you would have already prepared and lodged STP as per usual for the final payrun for the 2019/2020 financial year in Reckon Account Hosted. (N.B. This pay must have been paid on or before 30 June, irrespective of when the pay period ends).

Once you have completed the aforementioned end of year payroll procedures (i.e. steps 2.5 A-D above), lodge STP using "Finalise Year" option. This can be done in either version 2019 or 2020 of Reckon Account Hosted. **N.B. if you have had an employee/s leave throughout the financial year, ensure that a "Release Date" has been entered in the Employee record prior to lodging the "Finalise Year" STP.**

For more information on STP finalisation reporting [click here](#)

IMPORTANT: If you lodge via STP and have followed the above STP processes, **you are no longer required to lodge the Empdupe file with the ATO.**