



BOOKKEEPING ADVICE FOR COVID-19 CONCESSIONS

ACCOUNTING FOR COVID-19 STIMULUS CONCESSIONS AND PAYMENTS

Now that businesses are starting to receive and utilise the stimulus measures announced by the Federal and State Governments (and the ATO), the big question is “how do I account for these transactions?”

The below table shows a summary of how to enter COVID-19 concessions into your accounting software. The GST reporting column shows how the GST or tax code should be entered for reporting the transaction in a Business Activity Statement (BAS).

CONCESSION	ACCOUNT TO USE	GST REPORTING	OTHER COMMENTS
JobKeeper payment received from ATO	New “Other income” account	BAS excluded	
JobKeeper payments to employees	Part of “Salary & wages” account	BAS excluded	Remember to top up employees to \$1,500 per fortnight (or equivalent for weekly/monthly pay cycles). Both MYOB and Xero have a process to enrol employees for JobKeeper.
Small Business Cash Flow Boost	New “Other income” account	BAS excluded	Record as part of BAS payment/refund.
Instant asset write-off	Fixed asset account e.g. “Motor Vehicles”	GST on capital expenses	We will calculate your total tax depreciation claim when we prepare your 2019-2020 income tax return.
ATO payment deferrals	“Trade creditor”	BAS excluded	We encourage clients to set up a creditor to allow tracking of the payment date.
PAYG instalment refunds	“Provision for tax account”	BAS excluded	Code refunds received to the provision for tax account to cancel out of instalments paid on September and December 2019 BAS.
Remission of CIC	“Interest expense”	GST free	This will cancel out the earlier expense.
Payment arrangements	“Trade creditor”	BAS excluded	We encourage clients to set up a creditor to allow tracking of the payment date which can assist with cash flow planning.
Government loans – drawdown	New “Non-current liability”	BAS excluded	
Government loans – interest payments	“Interest expense”	GST free	
Payroll tax refunds	“Payroll tax expense”	GST free	This will reduce the original payment.
Payroll tax deferral	“Payroll tax expense”/“creditor”	GST free	Create a creditor so you can track the future payment required which can assist with cash flow planning.
Land tax rebate	“Land tax expense”	GST free	This will reduce the original payment.
Land tax waiver	“Land tax expense”	GST free	This will reduce the original payment.
Land tax deferral	“Land tax expense”/“creditor”	GST free	Create a creditor so you can track the future payment required.

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CHARTERED ACCOUNTANTS