

GST: Checks and balances

GST Return Checklist:

- Create consistent approach with all GST returns being prepared
- Useful record in the event of having an IRD GST Review/Audit
- Demonstrates best practice bookkeeping
- Can be customised for different clients as applicable.

✓	Check	Notes
	Verify GST settings	GST settings (basis + frequency) should be the same in both the accounting software and IR
	Bank accounts in balance ** ALL income should be reconciled, expenses paid can be included as Late Claims in future returns (up to 2 years)	<ul style="list-style-type: none"> ▪ Includes PayPal, payment gateways like Stripe ▪ Follow up on unreconciled transactions (can be in balance but not all reconciled) ** ▪ Periodically review against actual bank statement
	Undeposited Funds	<ul style="list-style-type: none"> ▪ Cash banking relating to GST reporting period; being banked after month-end date ▪ May include Eftpos/Stripe etc
	Receivables check	<ul style="list-style-type: none"> ▪ Clear small balances ▪ Review credit notes / deleted invoices ▪ Check if any cash coding made in error
	Payables check	<ul style="list-style-type: none"> ▪ Clear small balances ▪ Review credit notes / deleted invoices ▪ Check if any cash coding made in error.
	Dating issues	<ul style="list-style-type: none"> ▪ Look for possible past/future dating issues
	Business expenses paid owner funds	<ul style="list-style-type: none"> ▪ Process with correct dates ▪ Source documents
	Confirm if any loans / asset purchases / sale or disposal of assets	<ul style="list-style-type: none"> ▪ Ask! ▪ Source documents ▪ Process as applicable ▪ Include workings/documentation with GST return workpapers
	Staff Expense claims	<ul style="list-style-type: none"> ▪ Process with correct dates ▪ Source documents ▪

✓	Check	Notes
	Customs GST	<ul style="list-style-type: none"> ▪ Review customs agent bills ▪ Check gst on customs coding correct ▪ Include bill copies with GST return workpapers
	GL Check	<ul style="list-style-type: none"> ▪ Check details of: <ul style="list-style-type: none"> ○ Entertainment ○ Travel ○ General expenses ○ Assets / Minor assets ○ Other codes where miscoding likely ▪ GST treatment on e-commerce transactions
	Reports sanity check	<ul style="list-style-type: none"> ▪ Review Profit and Loss ▪ Review Balance Sheet ▪ Look for anomalies and large amount variances
	GST Detail for reporting period	<ul style="list-style-type: none"> ▪ Review return period detail ▪ Work in excel if for a large business ▪ Review and correct any coding/gst errors
	GST Reconciliation	<ul style="list-style-type: none"> ▪ Confirm in balance ▪ Troubleshoot if out of balance
	GST Workpapers	<ul style="list-style-type: none"> ▪ Key docs saved ▪ GST Reconciliation workbook ▪ Notes as applicable ▪ Completed GST checklist ▪ Ir-filed return pdf
	GST Return – Client approval	<ul style="list-style-type: none"> ▪ [As per agreed process] ▪ Signoff / email saved
	GST Return – ir file	<ul style="list-style-type: none"> ▪ [As per agreed process] / [Role] ▪ Pdf copy of filed return – add to workpapers
	Tax payment set up / approved	<ul style="list-style-type: none"> ▪ [As per agreed process] / [Role]

Like to learn more?



Leaine Jones has set up Smart Books to provide online learning for bookkeepers and business owners and their staff. Learn smart and join the Smart Bookies Club! Be an early adopter for our course curriculums currently under development. Contact Leaine to find out more – she'd love to hear from you!

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GST Reconciliation

Invoice Basis

GST Ledger balance should match the GST return form to pay/refund due

Payments Basis

GST as per Balance Sheet

Less GST on Accounts receivable

Plus GST on Payables

= GST Payable = GST Form

Troubleshooting out of balance

(by no means a complete list!)

- Unpaid GST from prior periods
- GST on arrangement
- IR have transferred GST refund to other tax type(s)
- Prior GST payments including IR use of money interest / late payment penalties
- Timing differences with mis-matched dates
- Journals with GST incorrectly processed
- Receivables / Payables totals differ to what is displayed on the Balance Sheet
(dating issues)
- Other tax payments incorrectly coded as GST payments
- Re-run last GST rec checks and see if anything has changed
- Year end adjustments from last tax year not yet entered
(EOFY alignment journal required – especially if financials prepared in accountant's software)
- No opening GST balances
- Incorrect opening GST balances

Inland revenue – useful GST links

GST - General	https://www.ird.govt.nz/gst/charging-gst
Record-keeping	https://www.ird.govt.nz/managing-my-tax/record-keeping/records-of-income-and-expenses
Taxable supply information	https://www.ird.govt.nz/gst/tax-invoices-for-gst
GST adjustments	https://www.ird.govt.nz/gst/gst-adjustments
Special supplies	https://www.ird.govt.nz/gst/charging-gst/special-supplies
Online marketplaces	https://www.ird.govt.nz/sharing-economy/online-marketplaces/gst-on-listed-services
Low-value goods and services (overseas)	https://www.ird.govt.nz/gst/gst-for-overseas-businesses/gst-on-low-value-imported-goods/when-to-charge-gst-on-low-value-imported-goods
Crypto assets	https://www.ird.govt.nz/cryptoassets/taxing/cryptoassets-and-gst

MyIR – Check GST settings

The screenshot shows the MyIR user interface. At the top is the 'myIR' logo. Below it is a navigation link '< More...'. The main section is titled 'Account details' and includes 'GST' information with a redacted GST number (GST002). Below this is an 'Attributes' section, which is expanded to show 'Account registration details'. These details include: Accounting basis: Payments (cash); Filing frequency: Two monthly - periods ending odd months; Paper return: No; and Refund bank: [redacted].

Examples of Customs GST bills

Waybill Number		Origin Shipper	Destination Receiver	Shippers Reference
[Redacted]		[Redacted]	[Redacted]	[Redacted]

Declaration Number	Entry Date	Entry Type	Charge Description	Charge	GST Rate	GST Amount	Total (Incl. GST)
B08353081	15/08/2024	ICR	GST ON IMPORTATION	237.75	0.0	237.75	
			ENTRY FEE	81.25	0.0	81.25	
			ENTRY FEE GST	12.19	0.0	12.19	
			DUTY TAX PROCESSING	20.00	15.0	3.00	23.00

Customs GST = \$237.75

Entry fee = \$81.25 + GST of \$12.19

Processing fee = \$20 + GST of \$3.00

Payment due date: 22/08/2024	Total Amount (NZD)	Total (Excl. GST)	GST	Total (Incl. GST)
	351.19	351.19	3.00	354.19

TAX INVOICE B0021537

GST #: 95895808

ACCOUNT: [Redacted]
 PAGE: 1 of 1
 INVOICE DATE: 14-May-24
 DUE DATE: 14-May-24
 TERMS: Cash on Delivery
 DECLARATION: [Redacted]

SUPPLIER	IMPORTER
[Redacted]	[Redacted]

ORIGIN: TRIST = Istanbul, Turkiye | ETD: 10-May-24 | DESTINATION: NZCHC = Christchurch, New Zealand | ETA: 12-May-24

DESCRIPTION	GST IN NZD	CHARGES IN NZD
Destination International Terminal Fee	15%=8.25	55.00
Destination Airline Document Fee	15%=9.00	60.00
Destination Airline handling / loose and breakbulk charges	15%=117.18	781.20
Destination ISPS / Port Security Surcharge	15%=3.75	25.00
Customs Clearance / Agency Fees	15%=11.25	75.00
Destination EDI / TSW Fee	15%=1.20	8.00
Destination MPI EBACCA Application Fee	15%=4.20	28.00
Destination Administration / Compliance Fee	15%=1.50	10.00
Compile Fee	15%=2.25	15.00
Destination Delivery Cartage	15%=15.04	100.24
Customs Disbursement Charges- Please remit immediately	Exempt Rated	5,523.69
Entry Fee	79.90	
+ GST	11.99	
GST	5431.80	

Customs GST = \$5431.80
 Entry fee = \$79.90 + GST \$11.99
 Expenses = \$1157.44 + GST \$173.62

Please contact us within 7 days should there be any discrepancies.		SUBTOTAL	6,681.13
		ADD GST	173.62
		TOTAL NZD	6,854.75