

Monash University Procedure

Procedure Title	<u>GST and Tax Invoices–Accounts Receivables (Australia) Procedures</u>
Parent Policy	Goods and Services Tax (Australia) Policy
Date Effective	10-July-2015
Review Date	17-September-2011
Procedure Owner	Divisional Director, Corporate Finance
Category	Operational Procedure
Version Number	1.1
Content Enquiries	Finance Policy, finance-gsthelpl@monash.edu
Scope	All Australian campuses All Australian staff members
Purpose	To ensure the University complies with Australian GST legislation and rulings
PROCEDURE STATEMENT	

1. Tax Invoices

A valid tax invoice or Recipient Created Tax Invoice must be provided for all sales of goods and services over \$82.50 (including GST) where GST is charged. A standard invoice produced from SAP or a receipt/tax invoice where applicable must be used, but not both.

- a) For sales of goods or services less than \$1,000 (GST exclusive) a tax invoice must include:
 - Monash University's ABN
 - the GST-inclusive price of the sale
 - the words 'tax invoice' stated prominently
 - the date of issue of the tax invoice
 - the name of Monash University
 - a brief description of each thing supplied, and
 - when GST payable is exactly 1/11th of the total price, either a statement along the lines of 'the total price includes GST', or the actual GST amount
- b) Tax invoices for sales of goods or services of \$1,000 (GST exclusive) or more must include all of the above elements in addition to:
 - the name of the recipient
 - the address or the ABN of the recipient and
 - the quantity of the goods or the extent of services supplied

Responsibility

Monash University Procedure

Revenue Accounting Services Staff

2. Adjustment Credit Notes

Adjustment notes must be raised when:

- All or part of a supply or purchase is cancelled
- The price for a supply or purchase is altered
- A supply becomes taxable or a purchase becomes creditable
- A supply stops being taxable or a purchase stops being creditable
- The purpose of the purchase changes
- There are bad debts or failure to pay a debt

Adjustment credit notes must contain the same information as is required in a tax invoice except the words 'tax invoice' are replaced with 'adjustment credit note'. In addition, the following is required:

- Reference to the original invoice number of the invoice that the adjustment credit note relates to
- the difference between the price and the supply/supplies before the adjustment credit and the new price of the supply/supplies
- the amount of the adjustment to the GST payable or a statement to the effect that the difference in the price of the taxable supply/supplies includes GST.
- a brief explanation of the reason for the adjustment, for example 'return of goods'

Responsibility

Revenue Accounting Services Staff

3. Recipient Created Tax Invoices

- a) When an external party wishes to enter into an agreement with Monash University for Recipient Created Tax Invoices, approval must be sought from the Divisional Director, Corporate Finance.

Responsibility

Revenue Accounting Services Staff or Office of General Counsel

- b) Monash University (the supplier) and the recipient must have a written agreement set up for these arrangements. The agreement must specify the supplies to which it relates and be current and effective when any RCTIs are issued.

Responsibility

Corporate Finance Taxation Team or Office of General Counsel

- c) All RCTI agreements generated from Corporate Finance must be signed by the appropriate representative of the University.

Responsibility

Divisional Director, Corporate Finance

- d) All RCTI agreements generated by the Office of General Counsel as part of overarching contracts must be signed by the appropriate representative of the University.

Responsibility

Authorised university signatory

Monash University Procedure

- e) Copies of RCTI agreements contained within wider contracts prepared or reviewed by the Solicitors Office must be sent to the Tax Team, Corporate Finance.

Responsibility

Office of General Counsel

- f) A central register of RCTI agreements, which lists the parties and details of the RCTI agreements, will be maintained and displayed on the Corporate Finance website.

Responsibility

Corporate Finance Taxation Team

- g) The recipient and Monash University (the supplier) must satisfy the following requirements when issuing a recipient created tax invoice:
- Monash University and the recipient must be registered for GST
 - the recipient must issue a copy of the tax invoice to the supplier within 28 days and must retain the original
 - the recipient must issue an adjustment note to Monash University in relation to adjustment events
 - Monash University must not issue a tax invoice
- h) All recipient created tax invoices must show:
- the GST-inclusive prices of a taxable supply
 - the words 'Recipient Created Tax Invoice' stated in a prominent place
 - the date of issue
 - the name (or trading name) of Monash University
 - the name of the recipient (buyer)
 - the address or ABN of the recipient (buyer)
 - a brief description of each good or service supplied and
 - the quantity or volume of each good or service supplied
 - the ABN of Monash University

Responsibility

Corporate Finance Financial Accounting Team

- i) All RCTIs and related cheques received in departments must be sent to Corporate Receivables along with details of the relevant General Ledger account code, cost centre and fund.

Responsibility

Departmental Finance Officer or Research and Revenue Accounting Services Staff

- j) Process the RCTI in SAP duplicating the details provided on the RCTI by the external organization and noting that it is an RCTI. Notify the relevant finance officer or Research Accounting Services Staff when complete.

Responsibility

Corporate Receivables Officer

- k) If funds will be deposited directly into the University's bank account by the external organisation, notify the Bank Reconciliation Officer once the invoice is created in SAP.

Responsibility

Corporate Receivables Officer or Research Accounting Services Staff or Revenue Accounting staff

Monash University Procedure

- l) Allocate the funds against the invoice created in SAP.

Responsibility

Bank Reconciliation Officer

Responsibility for implementation	Vice-President (Finance) Divisional Director, Corporate Finance
Status	Revised
Approval Body	Name: Vice-President (Finance) Date: 10-July-2015 Author: Taxation Manager Corporate Finance Division
Definitions	<p>ABN: Australian Business Number</p> <p>ATO: Australian Taxation Office</p> <p>GST: Goods and Services Tax as defined in A New Tax System (Goods and Services Tax) Act 1999</p> <p>Input Tax Credit: An entitlement arising under section 11-20 or 15-15 of a New Tax System (Goods and Services Tax) Act 1999. The amount of an input tax credit for a creditable acquisition is an amount equal to the GST payable on the supply of the thing acquired.</p> <p>Recipient: Entity who receives a supply of goods or services including granting bodies</p> <p>Recipient Created Tax Invoice (RCTI): An invoice which is issued by the entity that receives the taxable supply (the recipient) rather than the actual supplier. This is permitted when, at the time the invoice is created, both the recipient and the supplier are registered for GST and have a current written agreement with each other which states the supplies which are covered. The Tax Office must have determined that those supplies are of a kind that can have RCTIs issued.</p> <p>ROMR: Record of monies received</p> <p>SAP: Monash University Finance System</p> <p>Supplier: Entity who supplies goods or services</p>
Legislation Mandating Compliance	A New Tax System (Goods and Services Tax) Act 1999
Related Policies	Global Taxation Policy
Related Documents	