e-News

Monday, 7th August 2023   Newsletter No 106

How to Series No 2 - How to Enter VicRoads Registration Bills

HOW TO

Bookkeeping Resource

Last week, I started a bookkeeping resource series called "How To". Each week I will share instructions with you about how to enter some common transactions. I will be using Xero as the software, but don't worry if you use another software, the basic rules will still apply.

The second how-to is about how to enter a VicRoads registration expense/bill

Step 1 - grab your VicRoads bill and go to the part where it shows you the breakdown of charges. It may look something like this:

Fee breakdown	Amount
Registration fee	$306.90
TAC charge *	$440.00
Insurance duty	$44.00
Total due	**$790.90**

* incl. $40.00 GST. This GST amount is the only GST included in the total amount due. This document will be a tax invoice when payment is made.

Step 2 - Log into your software and go to the area where you add bills.

Step 3 - Enter the VicRoads as the supplier, the relevant dates and the reference number or name as below:

Purchases overview › Bills to pay ›

New Bill

From		Date	Due Date	Reference	
VicRoads	NEW	5 Aug 2023 ▼	31 Aug 2023 ▼	XXX777 Registration 2023	📄

Step 4 - Enter a line in the bill for each charge shown on the bill. The registration fee is GST-free, the TAC charge includes GST and the insurance duty is BAS Excluded. If you are entitled to claim 100% of motor vehicle costs in your business, then you are able to claim the full GST amount on the TAC charge. Time and time again, I see clients entering the full amount of the registration expense as GST-free. While they are partly right, they are also missing out on claiming the GST of the TAC charge. Also, relevant here is the choice of account for expense coding - you may like a general account such as this one "Motor Vehicle Expenses", or you may like to split your costs out in a more detailed manner and have an account for each type of car expense, in this case "Motor Vehicle Registration". It just depends on how much detail you want to see in your profit and loss report.

Description	Qty	Unit Price	Account	Tax Rate	Region	Amount AUD	
XXX777 Registration 2023-24	1.00	306.90	449 - Motor Vehicle Expenses	GST Free Expenses		306.90	✕
TAC Charge	1.00	400.00	449 - Motor Vehicle Expenses	GST on Expenses		400.00	✕
Insurance Duty	1.00	44.00	449 - Motor Vehicle Expenses	BAS Excluded		44.00	✕
							✕
							✕

▼ Assign expenses to a customer

Subtotal	750.90
Total GST 10.00%	40.00
TOTAL	**790.90**

Step 5 - Check that the GST amount agrees with the VicRoads bill. In this case, it is **$40.00.**

Step 6 - Approve the bill to ensure the expense is added to the accounts correctly.

So that's it for this week's "how-to". I hope you learned something new. One thing I'd like to add about VicRoads "bills" before I close off this newsletter, is that in order to obtain an actual bill, you do have to have an account with VicRoads. They used to send out the document in the mail, but not anymore, it's all online, like everything these days. Here's the link to VicRoads where you can make an account if you haven't already done so.

Bonus Tip!

For any bookkeepers out there who know the pain of not ever receiving an actual VicRoads bill from clients (who probably don't know how to get it - see notes above), which makes data entry near-on impossible, here is the link to the TAC registration rates for FY24. This document provides the breakdown of TAC and insurance duty fees based on postcode and vehicle type. An excellent resource that I am sure you will use time and time again. You're welcome btw!
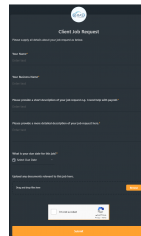
Next week I will show you how to enter a chattel mortgage loan. Until then, have a happy week.

Latest Articles

Simple Cash Flow Tool

Download our new cash flow tool.

Job Requests

Learn how to submit job requests to us.

What NOT to include in Payslips for Paid Family & Domestic Violence Leave

Something important to call out in relation to paying this leave is the information that is **prohibited** from being included on the employee's payslip.

Xero Tips & Tricks

Here is my list of useful tips and tricks that I use when wrangling Xero. I'll try to keep adding new tips etc as I discover them. I hope you find them useful.