

Monash University Procedure

Procedure Title	<u>GST and Importation (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	2.0
Content Enquiries	Finance Policy
Scope	All Australian campuses All Australian staff members
Purpose	To ensure the University complies with Australian GST legislation and rulings
PROCEDURE STATEMENT	

GST is payable on most goods imported into Australia. Customs release the goods after payment of any customs duty or other charges, including GST. The up-front GST component is then claimed back from the ATO by the University in the next monthly BAS. This procedure relates to custom agent invoices, not the original asset or consumable items purchased.

1. Processing Imports in SAP

- a. All imports of goods, except for capital imports, are to be allocated a SAP tax code of P0 (GST Free Purchases - 0%).
- b. Imports of a capital nature are to be allocated a SAP tax code of P5 (GST Free Asset Acquisitions - 0%) in addition to the account assignment "A" denoted when raising purchase orders.

Responsibility

Purchasing Hub Staff Member

2. Custom Agent Invoices

Posting Rules

The treatment of related importation expenses is set out in the table below, including the use of tax codes and general ledger accounts to be used for the various expenses: The information about the expenses will be on the customs tax invoice or invoice. Tax invoices are not essential for taxable importations, however, there must be relevant documentation issued by Customs (rather than the supplier) to support input tax credit claims.

Monash University Procedure

<u>Expense</u>	<u>GST Status</u>	<u>Tax Code</u>	<u>General Ledger Code</u>
Freight Collected	GST Free	P0	738022
Quarantine Duty	GST Exempt	P8	743041
Customs Duty	GST Exempt	P8	743041
Terminal Fee	GST (10%)	P1	743041
Postage/ Petties	GST (10%)	P1	743041
Agency & Attendance	GST (10%)	P1	743041
Quarantine Attendance	GST (10%)	P1	743041
Cartage/Freight	GST (10%)	P1	738022
GST on Importation	GST Exempt	P8	743040

Responsibility

Purchase to Payment Services Staff

A review of postings to account 743040 will occur at month end. Legitimate GST charges will be transferred from the departmental fund to a central control account to be claimed back from the ATO. Invalid postings will remain as an expense in the departmental fund.

Responsibility

Corporate Finance Taxation Team

3. Payment of Custom Agent Invoice using a Purchase Order

When paying the custom agent invoice with a purchase order, different line items must be created to match the different components of the tax invoice and to reflect the correct GST status of each component.

- Material code 10000710 "GST Paid - Imports" must be used for the pure GST component charged on imports
- Material code 10000339 "Customs Duties & Agent Fees" must be used for other duty and customs agent fees
- At the goods receipt and invoice verification stages the "Doc. Header Text" field should be populated with the custom agent name, the month, the purchase order number for the original imported goods that the GST relates to, and either the word "asset" if the imported goods are an asset or "consume" if the goods are consumable items. For example: "DHL_July_45486777_Asset" or "Fedex_July_454876666_Consume"

Responsibility

Purchase to Payment Services Staff

4. Payment of Custom Agent Invoice using the Corporate Credit Card System

When processing custom agent invoices using Concur, the 'customs' expense category must be used and an indication must be given if the original import relates to an asset.

Responsibility

Corporate Card Processing Officer

Responsibility for implementation	Vice-President (Finance) Divisional Director, Corporate Finance
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Monash University Procedure

Status	Revised
Approval Body	<p>Name: Vice-President (Finance)</p> <p>Date: 10-July-2015</p> <p>Author: Taxation Manager Corporate Finance Division</p>
Definitions	<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>Taxable Importation: Goods imported into Australia on which GST has been levied</p> <p>Capital Import: An imported asset valued at more than \$5,000</p> <p>Value of Taxable Import: The sum of the customs value of the imported goods, the amount paid or payable for the international transportation of the goods to their place of consignment in Australia and to insure the goods in transport, to the extent that the amounts are not already included in the customs value, and any customs duty payable in respect of the importation of the goods.</p> <p>Custom Agent Invoice: Invoice issued by customs agent when goods are imported into Australia</p>
Legislation Mandating Compliance	A New Tax System (Goods and Services Tax) Act 1999
Related Policies	Global Taxation Policy
Related Documents	