

Entering payment details on the Sales Tax Filing window if you make instalment payments

TIP: We recommend printing out this document and keeping it next to you as you work.

Follow these instructions if:

- You make sales tax instalment payments; AND
- You have tracked instalment payments in a subaccount of the sales tax liability account, or in any account other than the sales tax liability account.

Have you ALWAYS used your sales tax liability account to make instalment payments? If so, you do **not** need to follow the steps in this guide. In the Sales Tax Filing window, just enter the payments made after the end of the last sales tax period that apply to that period. (Do not include payments that apply to the current period.)

QuickBooks uses the Sales Tax Filing window to reconcile your sales tax balance in company files that were recently upgraded from an earlier version. This window appears the first time you try to view or access your sales tax balance after upgrading a company file. It is **imperative** that you calculate and enter the correct payment details in this window as described below:

- Step 1:** Calculate the total amount of instalment payments not tracked to the sales tax account.
- Step 2:** Add or subtract this amount from your last payment/refund, then enter the result on the Sales Tax Filing window.
- Step 3:** Make an adjustment to your accounts so that the sales tax liability account is properly credited for the payments that you made in the other account.

NOTE: Follow these instructions separately for both GST and PST instalment payments.

While following these instructions, if none of the cases fit your situation, or if you need further assistance, please visit our support site at <http://support.intuit.ca/>. In addition, we provide free phone support on this and some other upgrade issues for one company file within 60 days of activation¹. To use this support, dial 1-877-772-9158.

Step 1: Calculate the total amount of instalment payments not tracked to the sales tax account

QuickBooks uses a standard sales tax liability account (such as "GST Payable") to track the sales tax you collect and pay. Therefore, instalment payments made to another account (the "Instalment Account") aren't included in the balance of the sales tax liability account. When entering amounts in the Sales Tax Filing window, you must take into account the payments you made from the other account — otherwise, QuickBooks will think you owe more tax than you should.

¹ Free support is available only for certain upgrade issues and for only one company file. Additional limitations apply. Your support representative will explain any restrictions.

How you calculate this total depends on how you used the Instalment Account:

- A) You used the Instalment Account ONLY to track instalment payments for a single sales tax (such as GST or PST, but not both)
- B) You used the Instalment Account to track instalment payments for multiple sales taxes (such as both GST and PST), or for other types of transactions as well

A) You used the Instalment Account ONLY for tracking instalment payments for a single sales tax

In this case, you can simply look at the balance of the Instalment Account at the end of the last tax period and add any additional payments made since then.

1. Go to the **Lists** menu and click **Chart of Accounts**, then double-click your Instalment Account.
2. Go to the latest transaction that took place **on or before** the end date of your last sales tax period.

For example, if your last sales tax period ended on Dec. 31, 2008, the desired transaction in the image below is the one dated 12/30/2008.

Date	Ref	Payee		Increase	✓	Decrease	Balance
	Type	Account	Memo				
09/30/2008		Receiver General				400.00	-1,200.00
	CHQ	bank					
12/30/2008		Receiver General				400.00	-1,600.00
	CHQ	bank					
03/31/2009		Receiver General				400.00	-2,000.00
	CHQ	bank					
06/30/2009		Receiver General				400.00	-2,400.00
	CHQ	bank					
09/03/2009	Ref	Payee		Increase		Decrease	
		Account	Memo				

3. Note the **Balance** at that date.
4. Add any payments made after that date that apply to the same filing period.
Do not include payments that were already transferred to the sales tax liability account. Also do not include payments that apply to the current sales tax period.
5. Write down this total as a **positive** number — this is the **“Total Instalments”** you need in Step 2.
This is the total amount of instalment payments that were not yet transferred to the standard sales tax liability account.

B) You used the Instalment Account to track instalment payments for multiple sales taxes (such as both GST and PST), or for other types of transactions

You will need to add the instalment payments you made to the Instalment Account that have not yet been tracked in the sales tax liability account.

1. Go to the **Lists** menu and click **Chart of Accounts**.
2. Right-click your Instalment Account and choose **QuickReport**.

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This report displays all transactions and amounts associated with that account.

3. Add up **all** instalment payments made **before** the end date of your last sales tax filing period. Only include instalment payments for the sales tax with which you're working.

TIP: Typically, the Name for these transactions will be the sales tax agency (eg. "Receiver General") and the Type will be "Cheque".

Type	Date	Num	Name	Memo	Split	Amount	Balance
GST Payable							
GST Installments							
Cheque	03/31/2007		Receiver General		bank	-400.00	-400.00
Cheque	06/30/2007		Receiver General		bank	-400.00	-800.00
Cheque	09/30/2007		Receiver General		bank	-400.00	-1,200.00
General Journal	10/04/2007	3			GST Payable	800.00	-400.00
Cheque	12/30/2007		Receiver General		bank	-400.00	-800.00

4. Write down this total as a **positive** number.
5. If you made general journal entries that transferred your instalment amounts to your sales tax account:
 - a. Identify the instalment payments that were included in these adjustments.
 - b. Subtract the amounts of these payments from the total payments you wrote down earlier.
6. Note this final total — this is the **"Total Instalments"** you need in Step 2.

Step 2: Add or subtract this amount from your last payment/refund, then enter the result on the Sales Tax Filing window

You need to make different calculations depending on whether you made a payment or refund at the time of your last sales tax filing.

When entering the date, make sure you use the **date of the payment you made to clear the balance owing for your last filed period**. Typically, this will be within 15 days after the end of the last period. (If your last filing was for a refund, use the date at which you received the refund.)

What if I haven't made my final payment for the last sales tax period yet? QuickBooks still needs a date and amount to properly reconcile your sales tax. Use the **amount and date at which you expect to make that payment**, even if it is in the future.

If this payment won't be enough to clear off your balance for the last period, the remaining amount will appear as an "Amount not reported or paid" the next time you try to file your sales tax.

Your last filing was a payment

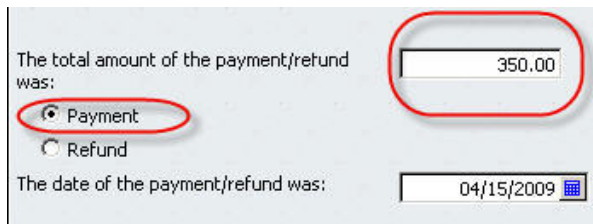
1. Add the Total Instalments amount (from Step 1) to the final payment you made for clearing your last sales tax filing period.

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In this example, you calculated a Total Instalments amount of \$200, and your final sales tax payment was \$150.

last sales tax payment	150
+ total instalments	+ 200
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total amount	350

2. Enter the total as your **payment/refund** amount on the Sales Tax Filing screen.
3. Select **payment** as the type of amount.



The total amount of the payment/refund was:

Payment
 Refund

The date of the payment/refund was:

4. Enter the **date of the payment/refund**.

Your last filing was a refund

Example A

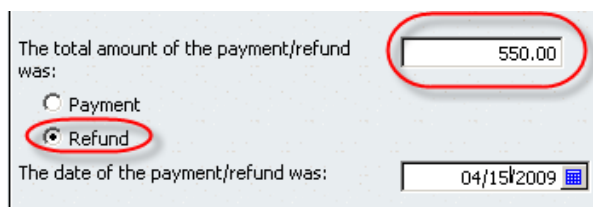
Follow this example if your last filing amount was a refund and your Total Instalments amount (from Step 1) is **less** than your refund amount.

1. Subtract your Total Instalments (Step 1) from the refund amount made before your last sales tax filing date.

In this example, you calculated a Total Instalments amount of \$250, and you received a refund of \$800 for your last filed sales tax period.

last sales tax refund	800
- total instalments	- 250
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total amount	550

2. Enter the total as your **payment/refund** amount on the Sales Tax Filing screen.
3. Select **refund** as the type of amount.



The total amount of the payment/refund was:

Payment
 Refund

The date of the payment/refund was:

4. Enter the **date of the payment/refund**.

Example B

Follow this example if your last filing amount was a refund and your total instalment amount (from Step 1) is **more** than your refund amount.

1. Subtract your total instalment amounts (Step 1) from the refund amount made before your last sales tax filing date.

In this example, you calculated a Total Instalments amount of \$1,200, and you received a refund of \$400 for your last filed sales tax period.

last sales tax refund	400
- total instalments	- 1200
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total amount	- 800

2. Enter the total as a positive **payment/refund** amount on the Sales Tax Filing screen.
3. Select **payment** as the type of amount.



4. Enter the **date of the payment/refund**.

Note: Complete **Step 1** and **Step 2** for **both** GST and PST payment/refunds. When you're done, click OK to close the Sales Tax Filing window.

Step 3: Make an adjustment for your instalment payment

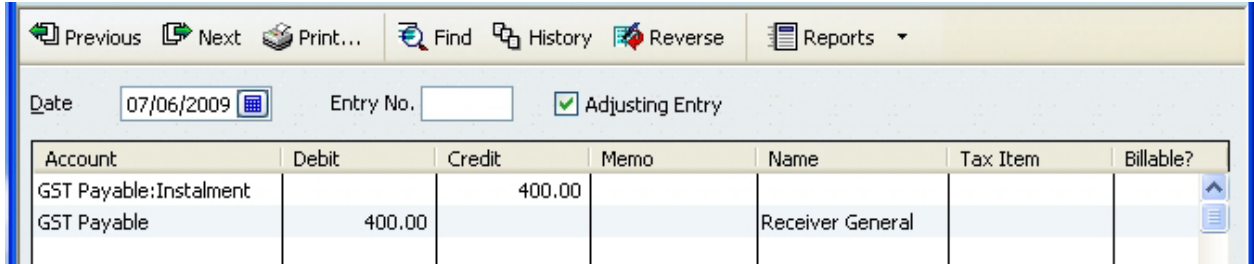
After you close the Sales Tax Filing window, you must transfer the amounts you calculated from the instalment account into the sales tax liability account. This aligns the balance of the sales tax liability account with the amounts that QuickBooks just reconciled.

To transfer these payment amounts, make a General Journal Entry as follows:

1. Open the General Journal (Go to the **Company** menu and click **Make General Journal Entries**).

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2. Make a **Credit** to your non tax-account or sub account for the Total Instalments amount you calculated in Step 1.
3. Make a **Debit** to your sales tax account for the total amount of instalment payments not tracked to a sales tax account (Step 1).



The screenshot shows the QuickBooks Journal Entry form. At the top, there are navigation buttons: Previous, Next, Print..., Find, History, Reverse, and Reports. Below these, the Date is set to 07/06/2009, and the Entry No. field is empty. The 'Adjusting Entry' checkbox is checked. The main table contains the following entries:

Account	Debit	Credit	Memo	Name	Tax Item	Billable?
GST Payable:Instalment		400.00				
GST Payable	400.00			Receiver General		

4. Click **Continue** when the posting warning appears.
5. Click **Save & Close**.

Congratulations! You adjusted your overpayment and underpayment for any instalment payments made before your last sales tax filing period. If you made instalments for both GST and PST, you'll need to repeat this process for the other tax.

You might still need to resolve for any sales tax amounts not reported and not paid, which can be done from the Upgrade Centre or the File Sales Tax window.