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*Speech Pathologist’s Guide to*

*BAS*

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A Speech Pathologist’s Guide To BAS

**WHAT IS BAS?**

If you own a business in Australia and you are registered for GST, you must complete a BAS (Business Activity Statement) and lodge it with the ATO. You have the option to lodge it monthly or quarterly. Under very limited circumstances, the ATO may allow you to lodge your BAS on yearly basis.

BAS is important because it allows you to **report and pay several types of taxes at the same time**.

Those taxes are:

**GST (Goods and Services Tax):**

GST is a 10% tax you collect when you are paid for certain speech pathology services (note – not all speech pathology services are GST free).

It is also a 10% tax you pay on many of your business expenses, like stationery and IT products.

**PAYG instalments**

These are payments you make in advance on your expected annual income tax. You will have been informed by the ATO if you are required to pay this.

**PAYG (Pay as You Go) withholding**

If you have staff this is the tax that you keep back (i.e. withhold) from their pay to give to the ATO.

**FBT (Fringe Benefits Tax)**

If you provide your employees with benefits besides pay – like a car – you (the employer) will pay FBT on this.

**Fuel Tax Credits (FTC)**

FTC isa refund from the government for the fuel tax you’ve already paid and is mostly for transport, mining and construction businesses which use a large amount of fuel. It’s unlikely a speech pathologist would claim this.

**WHEN TO PAY BAS**

Most contractor speech pathologists and speech pathology practice owners will fill in their BAS and submit it to the ATO every quarter. BAS is due on the same date each year.

|  |  |
| --- | --- |
| Due Date for Each Quarterly BAS | |
| **Quarter** | **Due Date** |
| **1 - July, August and September** | 28 October |
| **2 - October, November and December** | 28 February |
| **3 - January, February and March** | 28 April |
| **4 - April, May and June** | 28 July |

**WHY YOU SHOULD DO IT**

If you don’t lodge your BAS on time, or don’t pay the taxes required, the ATO imposes fines and penalties. You may even need to pay interest on the money you owe them.

**WHO CAN DO IT**

You can lodge your BAS and tax return yourself with the ATO online, or you can engage an accountant or a bookkeeper to lodge on your behalf. Using a professional will help to ensure that you’re meeting your obligations to the ATO and claiming back all the possible GST.

**HOW TO DO IT**

If you decide to do your own BAS, here are the steps that you need to follow for a **simple** BAS:

**Step 1**: **Collect all the necessary information**

For an **accurate and complete BAS**, collect the following essential documents and records:

**For GST**

* Collect all of your invoices.
* Add up your total sales and total GST that you charged to your clients
* Collect all your expense receipts and add up your total expenses and total GST that you have paid.
* If you incur the expense for the first time, please verify that the business is registered for GST. You can do this on Australian Business Register <https://abr.business.gov.au/>
* Other key information to check:
  + Have you, or your business purchased a car that may meet the criteria of a luxury car?
  + Have you purchased anything from overseas? Do you have the records of the purchase and also the customs invoices?
  + Have you made any insurance claims or claimed any refunds from insurance?
  + Have you received any Government grants?

For PAYG instalments

* Generally, you will pay the amount that is provided by the ATO
* You can vary the amount up – i.e. pay more PAYG instalment if you are going to make more profit this year or if you have income from a partnership or trust distribution.

For PAYG Withholding

* Obtain the total sum of salaries and wages, including directors’ fees, commissions, non-cash benefits, eligible termination payments, for your business for the time period
* Use your accounting software to find the total amount of tax withheld.

**Step 2: Access the BAS Form**

Log in to the ATO website using your myGov ID, selecting either the “Sole Trader” or “Business” option. You’ll find your pending BAS form in the “Reports and Forms” section.

**Step 3: Complete the BAS Form**

Use the information you calculated from Step 1 to fill in the BAS form:

* Sales including GST (Item G1 of the BAS form)
* GST collected from your sales (Item 1A of the BAS form)
* GST paid on your expenses (Item 1B of the BAS form)
* PAYG Instalment amount – Generally this is provided by the ATO. However, it is worth checking with your accountant if you need to amend the amount.
* PAYG Withholding amount (Item W1 of the BAS form)

**Step 4: Double-Check for Accuracy**

Make sure all the figures you’re entered are accurate.

**Step 5: Lodge the BAS and Make the Necessary Payments**

After you c**lick “Submit”**. You’ll receive a confirmation message with a receipt number for your records.

It will show you the **due date for your BAS lodgement and payment**.

You can then f**ollow the prompts to pay your BAS tax** using BPay, credit card, or bank transfer.

As you can see from the above, if your BAS information is fairly straightforward, it’s possible to do it yourself. However, there are some real **advantages to having a professional**, such as an accountant or a bookkeeper to handle it for you.

**Accuracy and Compliance:** Tax rules can change, and a professional knows exactly what’s required to keep your BAS accurate and up-to-date. This helps you avoid mistakes and unnecessary fines from the ATO.

**Cash Flow Management:** A professional will prepare your BAS and can use the information provided to learn about how your business is going. They can also help you plan ahead by forecasting your tax obligations and making sure you’re prepared. This helps you avoid any nasty surprises and ensures you always have enough to cover your taxes. Your previous bookkeeper or accountant might not have done this for you, but Sheridans can assist you with this**. If you’d like to book an appointment to talk over your business’ numbers in a mentoring session, please let us know.** This is a paid service that I’m sure you’ll find worthwhile.

**Maximized Deductions and Credits:** An accountant or bookkeeper will make sure you’re claiming tax deductions or credits that might be easy to overlook, potentially saving you money and improving your cash flow.

**Giving you more time to work in your business.** Preparing a BAS can take up valuable time you could spend growing your business. The hourly cost of a good bookkeeper/tax agent is likely to be less than what you would earn during a speech pathology session.

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