Campus Nexus Student System

GST Compliance Report
5th September 2017

PREPARED BY:

SUBMITTED BY:

REPORT ON SOFTWARE REVIEW (BIL.001/SEPT/SWINBURNE)	
CLIENT NAME	Swinburne University of Technology Sarawak
SOFTWARE NAME	Campus Nexus Student System
TAXABLE PERIOD	Quarterly
DATE	5/9/2017
PREPARED BY	En. Mohd Aizat Bin Jamil

No.		Checklist	Status/Remarks	Degree	Percentage
	GENERAL INFORMATION				
1	**Company information**		Refer Appendix 1	Major	
2.	**Taxable period**	x	Not Applicable		NIL
3.	**Chart of accounts**	x	Not Applicable		NIL
	ACCOUNT RECEIVABLE				
1.	**Customer/Student information**		Refer Appendix 2	Major	
2.	**Tax invoice**		Refer Appendix 3	Major	
	- **Full tax invoice**		Refer Appendix 3	Major	
	- **Simplified tax invoice**		Refer Appendix 3	Major	
3.	**Debit/Credit note**		Refer Appendix 4	Major	
4.	**Discount**		Refer Appendix 5	Major	
5.	**Deposit/Advance payment received**		Refer Appendix 6	Major	
6	**Refund**		Refer Appendix 7	Major	
7.	**Bad debt relief**		Refer Appendix 8	Major	
8.	**Bad debt recovery**		Refer Appendix 9	Major	
	ACCOUNT PAYABLE				
1.	**Supplier information**	x	Not Applicable		NIL
2.	**Supplier invoice**	x	Not Applicable		NIL
3.	**Debit/Credit note**	x	Not Applicable		NIL
4.	**Discount received**	x	Not Applicable		NIL
5.	**Advance payment made**	x	Not Applicable		NIL
6.	**Outstanding invoice more than 6 months & input tax adjustment**	x	Not Applicable		NIL

No.		Checklist	Status/Remarks	Degree	Percentage
	OTHERS/GENERAL LEDGER/JOURNAL				
1.	**Block input tax**	x	Not Applicable		
2.	**Reverse charge mechanism (Imported service)**	x	Not Applicable		
3.	**Deemed supply**	x	Not Applicable		
	1. Disposal of asset	x	Not Applicable		
	2. Disposal of stock	x	Not Applicable		
	3. Free gift – Gift rule	x	Not Applicable		
	4. Private used of business asset	x	Not Applicable		
4.	**21 Days Rules**	x	Not Applicable		
	PARTIAL EXEMPTION (for Mix Supply)				
1.	**Apportionment**	x	Not Applicable		NIL
2.	**Capital goods acquisition & adjustment**	x	Not Applicable		NIL
	GOOD S & SERVICES TAX (GST)				
1.	**GST Report - Able to view according to tax code & Various options**		Refer Appendix 10	Major	
2.	**GST -03 (GST Return)**	x	Not Applicable		NIL
3.	**GST Tap Return File Format (Online)**	x	Not Applicable		NIL
4.	**GST code setup/table**		Refer Appendix 11	Major	
	FINANCIAL STATEMENTS				
1.	**Profit and loss**	x	Not Applicable		NIL
2.	**Balance sheet**	x	Not Applicable		NIL
3.	**Trial Balance**	x	Not Applicable		NIL
	OTHERS				
1.	**System Access**		Refer Appendix 12	Major	
2.	**Data Security Controls/Audit Trail**		Refer Appendix 13	Major	
3.	**Backup management**		Refer Appendix 14	Major	
4.	**GAF file**	x	Not Applicable		NIL
5.	**Manual user guide for the software**			Minor	
6.	**Currency conversion**		Refer Appendix 15	Major	
7.	**Training & product knowledge**			Minor	

Company Information **APPENDIX 1**

Key Data Elements			Descriptions
Company Information	**Business Name**		**Company Name of business user**
	Business BRN		**Business Registration Number**
	GST No		**GST Registration Number of business user**
	Company Address	Line 1	
		Line 2	
		Line 3	
		City	
		Postal Code	
		State	
		Country	
	Financial Year		Company financial year / financial period
	Start Date		Company financial year start-date
	End Date		Company financial year end-date
	Currency Code		Functional currency used in accounting software (in 3 Char ISO).Empty means functional currency used is Malaysia Ringgit (MYR)
	Product Version		**Accounting software name and version**
	GAF Version		**GST Audit File (GAF) version number**

Customer / Student Information

APPENDIX 2

Key Data Elements			Descriptions
CustomerInformation	CustomerID		Unique code for the customer
	CustomerName		**Name of customer**
	CustomerBRN		**Business Registration no. of customer (If any)**
	Date GST Status Verified		Date GST status last checked
	CustomerGSTNo		**GST registration number of customer (If any)**
	BillingAddress	Line 1	
		Line 2	
		Line 3	
		City	
		PostalCode	
		State	
		Country	
	ShipToAddress	Line 1	
		Line 2	
		Line 3	
		City	
		PostalCode	
		State	
		Country	
	Telephone		Contact number
	Fax		Fax number
	Email		Email
	Website		Website

Tax Invoice

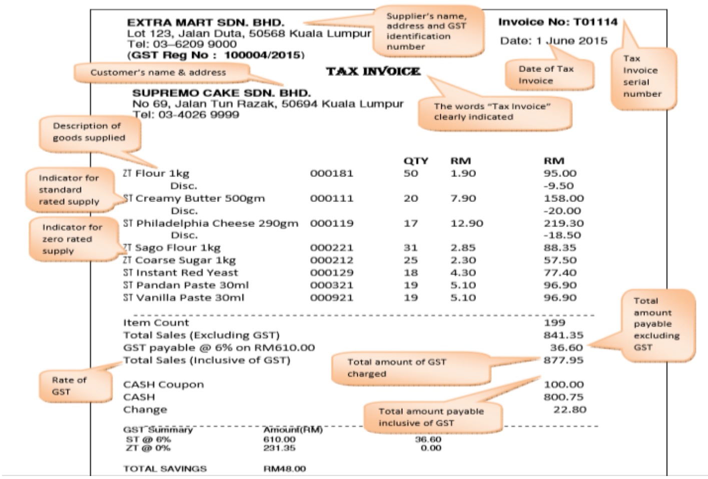
APPENDIX 3

KEY DATA ELEMENTS					DESCRIPTIONS
SalesInvoice	InvoiceNo				Company Name of business user
	ExportDeclarationNo				Export Declaration Number (K2)
	Period				Prescribed Accounting Period (e.g. 01/01/2009 to 31/03/2009)
	InvoiceDate				
	InvoiceType				Document Type – self-billed, ePos
	GLPostingDate				Date posting to GL
	BatchID				Systems generated batch ID
	SystemID				Unique number created by the system for the document
	TransactionID				Transaction ID of unique group number that related with double entries. Example: Recommend format "yyyy-MM-serialNumber"/ "2016-06-00001"
	Line	LineNo			Number of invoice Line
		AccountID			GL code for individual account
		CustomerID			Unique code for the customer
		OrderReferences	OriginatingNo		Origination Order Number
			OrderDate		Date of order
		ShipTo	DeliveryNoteNo		Delivery note reference
			DeliveryDate		Date goods are delivered
			ConsignmentNo		Unique Consignment Reference Number or B/L, AWB or Lorry Chit Number
			DeliveryAddress	Line 1	
				Line 2	
				Line 3	
				City	
				PostalCode	
				State	
				Country	Destination of goods being exported
		ShipFrom	DeliveryNoteNo.		Delivery note reference
			DeliveryDate		
			ConsignmentNo		
			DeliveryAddress	Line 1	
				Line 2	
				Line 3	
				City	
				PostalCode	
				State	
				Country	
		ProductCode			Product Code
		ProductDescription			Description of product
		Quantity			Quantity of goods and services supplied
		UnitofMeasure			Quantity unit of measure e.g. pack of 12
		UnitPrice			Unit price for the unit/group of units
		GSTTaxPointDate			Date of supply of goods
		References	CreditNote	Reference	Credit note reference (where applicable) to original invoice
				Reason	Credit note reason or rationale
		DebitAmount			Debit amount for transaction (in functional currency)
		CreditAmount			Credit amount for transaction (in functional currency)
		CurrencyMYR			No entry means functional currency is in Malaysia Ringgit
			ExchangeRate		Exchange rate where applicable
			DebitAmountRM		Debit amount for transaction in Malaysia Ringgit
			CreditAmountRM		Credit amount for transaction in Malaysia Ringgit
		Tax	TaxType-GST		Tax type for look-up in tables
			TaxCode		Tax code for lookup in tables
			TaxPercentage		Tax percentage (to be pulled from Tax Code Table)
			TaxAmount		Tax amount for transaction in functional currency
			CurrencyMYR		No entry means functional currency is in Malaysia Ringgit
				ExchangeRate	Exchange rate where applicable
				TaxAmountMYR	Tax amount for transaction in Malaysia Ringgit
	DocumentTotal	NetTotal			Total sales value excluding GST in functional currency
		TaxPayableTotal			Total Tax in functional currency (after Prompt Payment Discount if applicable)
		GrossTotal			Total amount including tax in functional currency
		CurrencyMYR			No entry means functional currency is in Malaysia Ringgit
			ExchangeRate		Exchange rate where applicable NetTotal Total sales value excluding GST in Malaysia Ringgit
			TaxPayable		Total Tax in Malaysia Ringgit (after Prompt Payment Discount if applicable)
		Settlement	PromptPayDisc		Discount given for prompt payment
			SettlementAmount		Settlement amount
			SettlementDate		Date settled
			PaymtMechanism		Payment mechanism

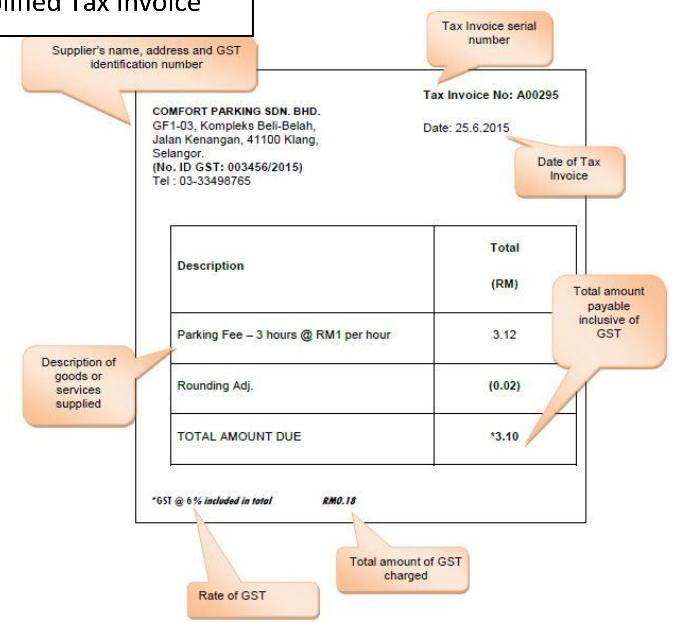
Example : Full Tax Invoice & Simplified Tax Invoice. (Format to be given to vendor by Swinburne)

APPENDIX 3

Full Tax Invoice



Simplified Tax Invoice



Requirement Information

No.	Items	Full Tax Invoice	Simplified Tax Invoice
1	The words "tax invoice" in a prominent place	/	-
2	Serially tax invoice number	/	/
3	Date of issuance of the invoice	/	/
4	Name, address and identification number of the supplier	/	/
5	Name and address of the person to whom the goods or services are supplied	/	-
6	A description sufficient to identify the goods or services supplied	/	/
7	For each description, the quantity of the goods or the extent of the services and the amount payable, excluding tax	/	-
8	Any discount offered	/	/

Debit Note and Credit Note must contains:

1) Words “Credit Note” or “Debit Note” in a prominent place
2) Serial Number and date of issue
3) Name, address and GST identification number of the supplier
4) Name and address of customer
5) Reason of issuance
6) Description of goods or services
7) Quantity and amount of each supply
8) Total amount excluding GST
9) Rate and amount of GST (the code shall refer to original supply)
10) Number and date of the original tax invoice

SALIHIN

Example : Debit Note & Credit Note (Format to be given to vendor by Swinburne) **APPENDIX 4**

DEBIT NOTE

KENSTONE (M) SDN BHD (211111 U)
15, JALAN CEPAT, KAWASAN PERINDUSTRIAN
TAMPOI, 80370 JOHOR BAHRU JOHOR
TEL:07-2323444

TO:
ALI MAJU CONTRACTOR SDN BHD
NO 20, JALAM TAMAN MAJU, KULAI JAYA,
JOHOR

DN NO: 001
DATE: 15 April 2015
GST NO: 90009999

Your Ref No.	Acc No.	Tax Inv No	Date of Inv.
DO No: 5445	10001222	129033	10.01.2014

Item	Description	Quantity	Latest price	Value (RM)
No 2	Additional order of item No 2	100 pcs	RM 2.50	250.00

REASONS: Additional order of item no 2

Total: RM 250.00
6% GST: RM 15.00
Charge to be paid: RM 265.00

Approve by:

CREDIT NOTE

KENSTONE (M) SDN BHD (211111 U)
15, JALAN CEPAT, KAWASAN PERINDUSTRIAN
TAMPOI, 80370 JOHOR BAHRU JOHOR
TEL:07-2323444

TO:
ALI MAJU CONTRACTOR SDN BHD
NO 20, JALAM TAMAN MAJU, KULAI JAYA,
JOHOR

CN NO: 001
DATE: 15 April 2015
GST NO: 90009999

Your Ref No.	Acc No.	Tax Inv No	Date of Inv.
DO No: 5445	10001222	129033	10.01.2014

Item	Description	Quantity	Latest price	Value (RM)
No 2	Tiles	100 pcs	RM 5.00	500.00

REASONS: Damaged Good

Total: RM 500.00
6% GST: RM 30.00
Charge to be paid: RM 530.00

Approve by:

Discount

APPENDIX 5

Type of Discounts

I. Discount on Tax Invoice

II. Discount after issuance of Tax Invoice (Usually when student makes payment). Discount after issuance of Tax has to issuance a **Credit Note** to reduce original supply.

Example : Discount on Tax Invoice

Particular	RM
Rental	550.00
Miscellaneous cost	50.00
- Discount	(100.00)
Total payable	500.00
GST 6%	30.00
Total Including GST	530.00

Example : Discount after Tax Invoice

Particular	Amount Before GST	GST Amount	Amount After GST
Student fee	200.00	0.00	200.00
Rental	400.00	24.00	424.00
Total Payable			624.00

Particular	Amount Before GST	GST Amount	Amount After GST
Discount	96.15	3.85	100.00
Total Payable			100.00

Deposit/Advance payment received **APPENDIX 6**

Deposit, whether refundable or not refundable or in the form of security given in respect of any supply of goods or services, is not part of the consideration for the supply if it does not form part of the payment for the supply. Generally most deposit payments represent consideration, as the amount paid over is intended by the parties to the contract to be offset against the purchase price once the supply has been made. Such payments fall within the scope of GST and tax must be accounted for on receipt of the deposit.

a) Forfeit deposit

Generally, forfeit deposit is not consideration for any supply because it constitutes a compensation payment for damages due to non-performance of the contract or for breach of contract. However, in some circumstances, the deposit may still be a consideration for a supply. An example would be where a contract involving accommodation of hotel room provides for the letting of a room whether it was occupied or not.

b) Security deposit

A deposit is taken as security, for example against the safe return of goods on hire or loan, is not consideration for a supply. The terms of the contract under which such a deposit is required will specify that the deposit is refundable to the customer subject to the safe return of the goods

c) Return deposit

Return deposit is not a consideration for any supply because it is not part of payment but a return of money to the customer due to cancellation of the contract between the supplier and customer.

Refund

APPENDIX 7

- ✓ University has to refund the full amount (inclusive GST amount) but it has to issue a Credit Note using the same tax code to get GST amount already declared in the GST report.
- ✓ Refundable amount is subject to University. But any refund amount must include GST amount as per credit note.
- ✓ If refund due to overpaid, not compulsory to issuance credit note.

a. **Inv No. INV002**
b. **Date : 20/05/2017**

Item	Amount Before GST	GST Amount	Amount After GST	GST Code
Student fee	1,000.00	0.00	1,000.00	ES
Rental	500.00	30.00	530.00	SR
Total Payables			1,530.00	

Scenario1:

a. Credit Note No. : CN002
b. Date : 15/06/2017

A student has paid the complete RM 1,530. Student has 10% refund on student fee. The calculation for the refund is as below:-

Item	Amount Discount	GST Amount	Total	GST Code
Student fee	100.00	NA	100	ES

Scenario 2:

A student has paid the complete RM1,530. Student has 10% refund on Rental. The calculation for the refund is as below,

Item	Amount Discount	GST Amount	Total	GST Code
Rental	50.00	3.00	53.00	SR

Note:

In case of a refund, the GST component needs to be treated as a credit .

Bad Debt Relief **APPENDIX 8 & 9**

Adjustments need to be made on the following situations:

- Bad debt due to non-payment
- Bad debt due to insolvency
- Recovery of payment with regards to bad debt

A taxable person is entitled to a relief for bad debt on the whole or any part of the tax paid by him in respect of a taxable supply if:

- GST has been paid
- No payment has been received in 6 months from the date of supply
- The debtor has become insolvent before the period of 6 month has elapsed
- Sufficient efforts have been made by him to recover the debt.

The seller has not received any payment

- Claim for the whole of the tax paid

Seller received part payment for taxable supply

- Claim for an amount calculated accordance to this formula

$$\frac{A1}{B} \times C$$

Where A1 is payment not received for the taxable supply;
B is consideration for the taxable supply; and
C is the tax due and payable on the taxable supply.

Bad Debt Recovery

When GST registered businesses have recovered the amount be it full or partial from their debtor, they must pay back to Customs the GST Tax amount claimed as Bad Debt Relief earlier. This GST tax amount will be calculated in proportion to the payment recovered from debtor.

GST Report **APPENDIX 10**

List of Report under GST Module

1. Report By Tax Code
2. Report By Transaction/Item

Example : GST Report (by tax Code)

1.0 Standard Rated (SR)

Trans Type	Ref	Date	Name	Item	Amount	GST Rate	GST Amount	Amount (Inc Tax	GST Code
Tax Invoice	INV001	11/04/2017	Aminah	Rental	400.00	6	24.00	424.00	SR
Tax Invoice	INV002	20/05/2017	Ali	Rental	500.00	6	30.00	530.00	SR
Credit Note	CN002	15/06/2017	Ali	Refund Rental 10%	-50.00	6	-3.00	-53.00	SR
				Sub Total	**850.00**		**51.00**	**901.00**	

2.0 Exempt Supply (ES)

Trans Type	Ref	Date	Name	Item	Amount	GST Rate	GST Amount	Amount (Inc Tax	GST Code
Tax Invoice	INV001	11/04/2017	Aminah	Student fee	200.00	0	0.00	200.00	ES
Tax Invoice	INV002	20/05/2017	Ali	Student fee	1,000.00	0	0.00	1,000	ES
Credit Note	CN002	15/06/2017	Ali	Refund Student fee 10%	-100.00	0	-0.00	-100.00	ES
				Sub Total	**1,100.00**	**0**	**0.00**	**1,100.00**	

*** System should allow user filter by various options.

Tax Code Table

APPENDIX 11

Key Data Elements			Descriptions
TaxCodeTable	TaxCodeDetails	**TaxCode**	**Tax code for lookup in tables**
		TaxPercentage	Tax percentage
		Description	Description of tax code

Example Tax Code used by Swinburne

Tax Code	Tax Rate	Description
SR	6%	Standard-rated supplies with GST charged.
ZRL	0%	Local supply of goods or services which are subject to zero rated supplies.
OS	0%	Out-of-scope supplies under GST legislations.
ES	0%	Exempt supplies under GST legislations.
NS	0%	Matters to be treated as neither a supply of goods nor a supply of services, and no GST chargeable.

*** Tax rate must be editable and the system should allow user add new tax code.

System Access

Access controls to ensure that only authorized users can access, and the authorized users are according to authorized level. The access data also shall according to the permissions given.
Password control specification shall include into the accounting software. For example is password integrity such as minimum password length, password complexity, password history, etc.

Data Security Control/Audit Trail

Controls to prevent any editing and deleting of entries originally recorded. Changes to recorded entries should be made by journal entry and be adequately documented with information such as:
i. Person making modifications
ii. Date of change
iii. Previous & Current entry details

Backup Management

Backup controls to guarantee retention of back-up copies of electronic records, computer programs, system documentation and recovery of electronic records in case of system failure.

Currency Conversion **APPENDIX 15**

- ✓ The software should allow the capture of Malaysia Ringgit equivalent value of GST when the supplier's tax invoice is denominated in a foreign currency (FCY) using the exchange rate indicated by the supplier. For companies not using Malaysia Ringgit (MYR) as its functional currency, the software should be capable of converting the value of supply and output tax into Malaysia Ringgit (MYR) currency based on prevailing exchange rate for GST reporting purposes.

- ✓ Other than that, the accounting software should not convert the amount before GST and the GST amount from foreign currency to Malaysia Ringgit (MYR) equivalent using its own exchange rate for accounting purposes as the rate could be difference from the exchange rate adopted by the supplier.

- ✓ For businesses transactions that use foreign currency (e.g., USD, SGD, Rp, AUD) as their functional currency, the accounting software must be capable of converting the value of supplies made and output tax charged to Malaysia Ringgit (MYR) based on the prevailing exchange rate for GST reporting purposes.