# Entering Taxable HSP Items in Reckon 2022

Entering HSP transactions into Reckon from HearAid has historically presented a number of challenges due to the fact that most of the taxable HSP items are not taxed at the flat GST rate of 10%. Previous approaches to dealing with these challenges have involved either

1. Creating custom tax codes or

2. Creating separate Reckon items for the taxable and non-taxable components of each payment and then using a Group item to enter the data into Reckon

In both cases, it has been necessary to maintain *two* sets of items, on set for the current year and a second set for the previous year. This has meant that those items have had to be edited and updated every year, which involves a considerable amount of work!

From my perspective in developing the interface between Reckon and HearAid, the main problem has been the fact that it is not possible to "push" tax rates or tax amounts into a transaction – Reckon insists on recalculating tax itself and will not be told what to do with tax! However, it finally dawned on me that Reckon *will* allow us to push actual payment amounts into items, provided that the amount for the item in Reckon is set to $0.00.

So I am really, really happy to announce that the new HearAid-Reckon interface can now manage to transfer actual payment amounts and actual tax amounts

- *Without* the need to maintain item amounts each year

- *Without* the need to maintain two separate sets of items for the current and previous financial year

- *Without* the need to maintain custom tax codes and tax items

- *Without* the need to use Group items

- It no longer matters whether HSP gets its rounding and its sums right or not! The interface transaction will always end up with the untaxed, taxed, tax and total amounts adding up correctly to the last cent

- Your BAS statements will be simpler and sensible!

My only regret is that it has taken me this long to figure it all out!

## Setting Up Items in Reckon

The new solution for the taxable HSP items is similar to using **Group Items** but ditching the actual group items themselves. In other words, for each item on the HSP Fee Schedule you should have a corresponding item in Reckon e.g. the 600 item in the HSP Fee Schedule should be matched with a 600 item in Reckon. For the taxable items in the Fee Schedule there should also be a second taxable item which is taxed at the standard GST rate. So, for example a 640 item in the Fee Schedule would have in Reckon:

1. A Tax-free component item 640 and

2. A Taxable component item 640T which is taxed at the standard GST rate of 10%

When pushing a 640 item from HearAid, the interface will automatically calculate the taxable and non-taxable payment amounts based on the total payment and tax amounts the Fee Schedule specifies (and are also specified in the processed Response file from the HSP Portal) and create the 640 and 640T invoice line items two individual items

will capture the tax-free and taxable amounts and roll them up into a single total which will exactly match the numbers coming from the HSP claim processing system.

## Step 1: Create the Tax-Free Item

The first step is to create the Tax-Free Item

- In Reckon, go into Lists|Item List

- Press Ctrl+N to add a new item, or if you already have an item set up then select an item and edit it

- Make sure the **Type** is set as **Service**

- If adding a new item, enter the **Item Name/Number** e.g. 710

- Enter a **Description**

- Enter 0 for the **Rate**

- Enter FRE as the **Tax Code** (or whichever GST-free tax code you use)

- Enter the Income **Account** you use for recording HSP payments

- Leave the **Amts Inc Tax** box un-ticked

The Item should now look like this



- Click OK

## Step 2: Create the Taxable Item, if the item is taxable

Now create the Taxable component item

- Press Ctrl+N to add another new item, or if you have already set up a taxable item as part of a Group item, then edit that item

- Again, make sure the **Type** is Service

- Give the item a name – in this case that would be 710T

- Enter a **Description**

- Enter 0 the **Rate**

- Set the Tax Code to GST (or whatever code you use for GST)

- Enter the income account, which will be the same as used in the tax-free item

- Leave the **Amts Inc Tax** box un-ticked

The Item should now look like this



- Click OK

Step 3: Repeat Step 1 for all the items on the HSP Fee Schedule, including the HSC item

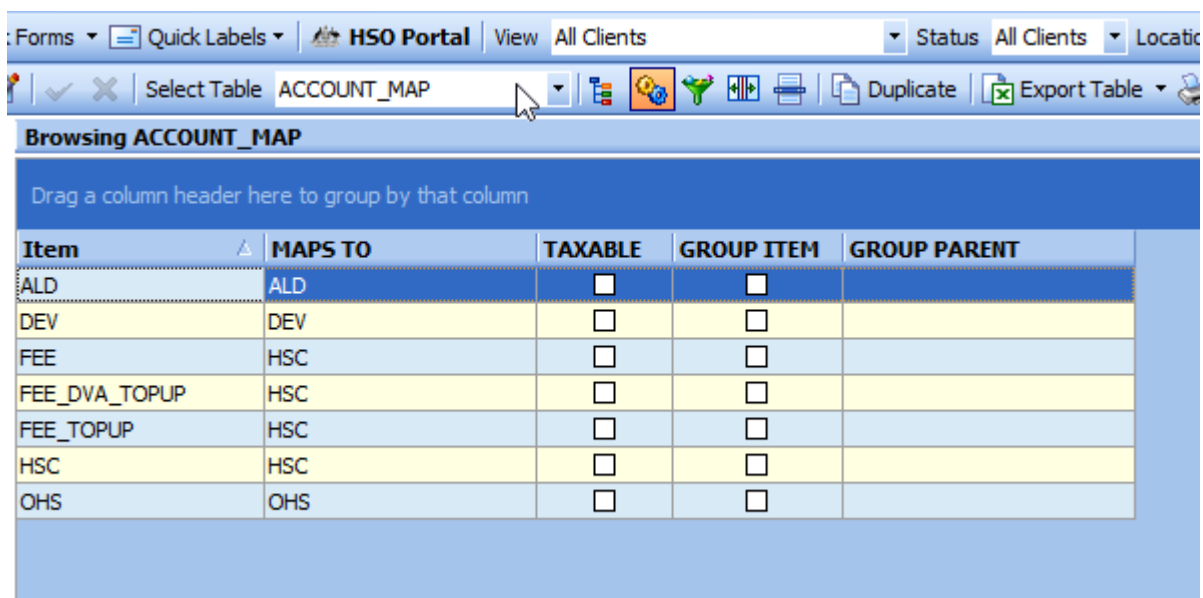Step 4: Repeat Step 2 for each of the *taxable* items on the HSP Fee Schedule, including the HSCT item

Once completed, you Item list should look a bit like this – but with all the items, obviously!

## The Final Step

The last piece of the puzzle is to change any of your old Item Mapping in HearAid. If you are using the recommended item coding i.e. the taxable item components have the same item number as the non-taxable components but with a "T" added on (e.g 640/640T, 700/700T, etc) then you can actually reset the mapping using the script REVISED_ACCOUNT_MAP.sql

- Log in to HearAid as SYSDBA

- Select **Database|Query** in the Program Navigator

- Click the **Load SQL** button and navigate to the \HearSoft\HearAid\Tables folder on your server computer (or the C:\HearSoft\HearAid\Tables folder if you are using HearAid in single-user or LOCAL MODE)

- Select REVISED_ACCOUNT_MAP.sql

- Click **Execute SQL**

- Select **Tools|Browse** in the Program Navigator

- Select ACCOUNT_MAP in the **Select Table** box on the toolbar and it should now look like this:



If you use *different* item numbers in Reckon, then you will need to set the mapping from the HSP items to your Reckon items

- Log in to HearAid as SYSDBA

- Select **Database|Query** in the Program Navigator

- Click the **Load SQL** button and navigate to the \HearSoft\HearAid\Tables folder on your server computer (or the C:\HearSoft\HearAid\Tables folder if you are using HearAid in single-user or LOCAL MODE)

- Select FULL_ACCOUNT_MAP.sql

- Click **Execute SQL** and the Account Map will look like this:

| Browse | | | | 55 records |
|--------|---|---|---|------------|

Drag a column header here to group by that column

| Item | MAPS TO | TAXABLE | GROUP ITEM | GROUP PARENT |
|------|---------|---------|------------|--------------|
| 555 | 555 | ☐ | ☐ | |
| 600 | 600 | ☐ | ☐ | |
| 610 | 610 | ☐ | ☐ | |
| 630 | 630 | ☐ | ☐ | |
| 630T | 630T | ☐ | ☐ | |
| 631 | 631 | ☐ | ☐ | |
| 635 | 635 | ☐ | ☐ | |
| 635T | 635T | ☐ | ☐ | |
| 636 | 636 | ☐ | ☐ | |
| 636T | 636T | ☐ | ☐ | |
| 640 | 640 | ☐ | ☐ | |
| 640T | 640T | ☐ | ☐ | |
| 641 | 641 | ☐ | ☐ | |
| 641T | 641T | ☐ | ☐ | |
| 650 | 650 | ☐ | ☐ | |
| 655 | 655 | ☐ | ☐ | |
| 660 | 660 | ☐ | ☐ | |
| 670 | 670 | ☐ | ☐ | |
| 700 | 700 | ☐ | ☐ | |
| 700T | 700T | ☐ | ☐ | |
| 710 | 710 | ☐ | ☐ | |
| 710T | 710T | ☐ | ☐ | |
| 711 | 711 | ☐ | ☐ | |
| 711T | 711T | ☐ | ☐ | |
| 722 | 722 | ☐ | ☐ | |
| 722T | 722T | ☐ | ☐ | |
| 760 | 760 | ☐ | ☐ | |
| 760T | 760T | ☐ | ☐ | |
| 770 | 770 | ☐ | ☐ | |
| 777 | 777 | ☐ | ☐ | |
| 777T | 777T | ☐ | ☐ | |
| 790 | 790 | ☐ | ☐ | |
| 790T | 790T | ☐ | ☐ | |
| 791 | 791 | ☐ | ☐ | |
| 791T | 791T | ☐ | ☐ | |
| 800 | 800 | ☐ | ☐ | |
| 810 | 810 | ☐ | ☐ | |
| 820 | 820 | ☐ | ☐ | |
| 825 | 825 | ☐ | ☐ | |
| 830 | 830 | ☐ | ☐ | |
| 840 | 840 | ☐ | ☐ | |
| 850 | 850 | ☐ | ☐ | |
| 888 | 888 | ☐ | ☐ | |
| 920 | 920 | ☐ | ☐ | |
| 930 | 930 | ☐ | ☐ | |
| 940 | 940 | ☐ | ☐ | |
| 960 | 960 | ☐ | ☐ | |
| ALD | ALD | ☐ | ☐ | |
| DEV | DEV | ☐ | ☐ | |
| FEE | HSC | ☐ | ☐ | |
| FEE_DVA_TOPUP | HSC | ☐ | ☐ | |
| FEE_TOPUP | HSC | ☐ | ☐ | |
| HSC | HSC | ☐ | ☐ | |
| HSCT | HSC | ☐ | ☐ | |
| OHS | OHS | ☐ | ☐ | |

You can now complete the mapping process:

- Scroll down to the item you want to map to the Reckon item
- Enter Reckon item in the **MAPS_TO** column
- Save your change
- Repeat this process for any other Reckon items that do not match the HSP items

## How This Works When Adding Invoice Items

The HearAid/Reckon interface will automatically look for any mapped items; if no items are mapped then the interface assumes that it can insert an invoice line item for any HSP item number and if that item number has a taxable component it will also correctly calculate the non-taxable and taxable amounts and add a "T" item for the taxable component. Here is an example of an invoice created from the Accepted report from the Batch Log



The good thing is that, unlike using a Group Item, HearAid can once again also attach the client name in the Description for each item

Similarly, for clients paying their maintenance fee, HearAid will use the HSC and HSCT items to correctly calculate the fee amounts