



## 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, one 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

The screenshot shows the 'Edit Item' dialog box with the following fields and values:

- Type:** Service (dropdown menu)
- Item Name/Number:** 710 (text field)
- Description:** Maintenance Service & Battery Supply - Binaural (text field)
- Rate:** 0 (text field)
- Tax Code:** FRE (dropdown menu)
- Account:** Sales:HSP ... (dropdown menu)
- Amts Inc Tax:** unchecked checkbox
- OK, Cancel, Links, Custom Fields, Spelling:** buttons on the right

- 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

**Edit Item** Type a help question **Ask** **How D**

Type: Service Use for services you charge for or purchase, like specialised labour, consulting hours, or professional fees.

Item Name/Number: 710T Subitem of:

Unit of Measure: Enable...

☐ This service is used in assemblies or is performed by a subcontractor or partner

Description: 710 Item Taxable Component Rate: 0.00

Tax Code: GST Account: Sales:HSP ...

Barcode:

☐ Item is inactive ☐ Amt's Inc Tax

OK Cancel Links Custom Fields Spelling

- 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

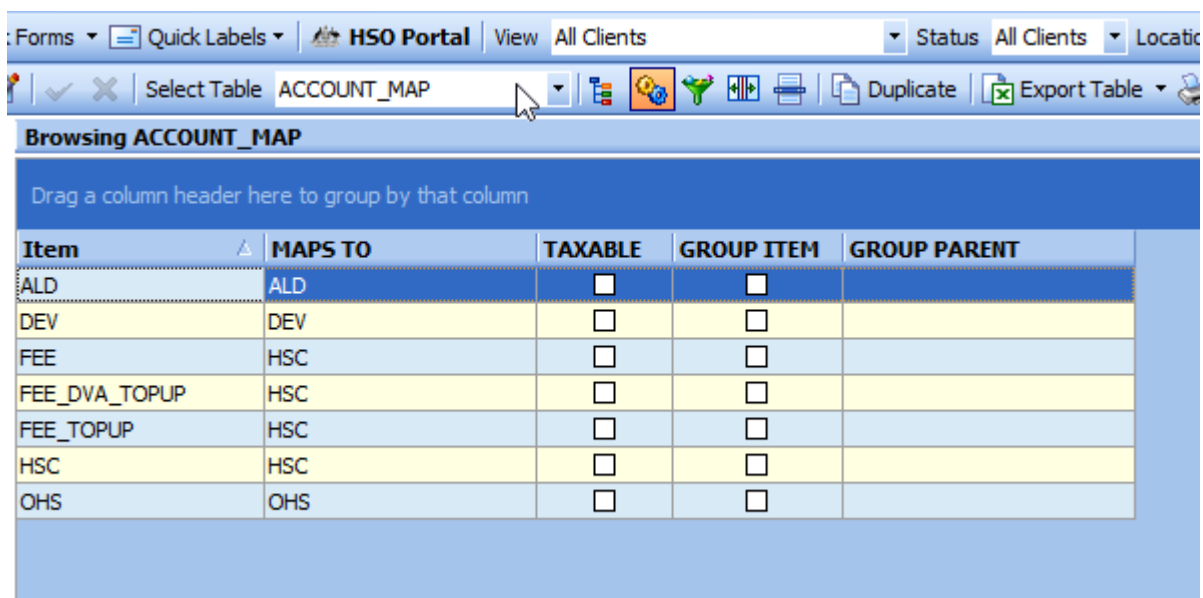
Once completed, your Item list should look a bit like this – but with all the items, obviously!

Name	Description	Type	Account	Gross ...
655	ALD Initial Fitting No Maintenance Agreement	Service	Sales:HSP Claims	0.00
656	ALD Initial Fitting No Maintenance Agreement, Non Follow-up	Service	Sales:HSP Claims	0.00
660	Initial Fitting No Maintenance - Binaural	Service	Sales:HSP Claims	0.00
661	Initial Fitting No Maintenance, Non Follow-up	Service	Sales:HSP Claims	0.00
670	Rehabilitation Service - Unaided	Service	Sales:HSP Claims	0.00
680	Rehabilitation Plus - Two Sessions	Service	Sales:HSP Claims	0.00
681	Rehabilitation Plus - Single Session	Service	Sales:HSP Claims	0.00
700	Maintenance & Battery Supply - Monaural	Service	Sales:HSP Claims	0.00
700T	700 Item Taxable Component	Service	Sales:HSP Claims	0.00
710	Maintenance Service & Battery Supply - Binaural	Service	Sales:HSP Claims	0.00
710T	710 Item Taxable Component	Service	Sales:HSP Claims	0.00
711	Relocated Maintenance & Battery Supply - Monaural	Service	Sales:HSP Claims	0.00
711T	711 Item Taxable Component	Service	Sales:HSP Claims	0.00
722	Relocated Maintenance & Battery Supply - Binaural	Service	Sales:HSP Claims	0.00
722T	722 Item Taxable Component	Service	Sales:HSP Claims	0.00

## 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:



Item	MAPS TO	TAXABLE	GROUP ITEM	GROUP PARENT
ALD	ALD	<input type="checkbox"/>	<input type="checkbox"/>	
DEV	DEV	<input type="checkbox"/>	<input type="checkbox"/>	
FEE	HSC	<input type="checkbox"/>	<input type="checkbox"/>	
FEE_DVA_TOPUP	HSC	<input type="checkbox"/>	<input type="checkbox"/>	
FEE_TOPUP	HSC	<input type="checkbox"/>	<input type="checkbox"/>	
HSC	HSC	<input type="checkbox"/>	<input type="checkbox"/>	
OHS	OHS	<input type="checkbox"/>	<input type="checkbox"/>	

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	<input type="checkbox"/>	<input type="checkbox"/>	
600	600	<input type="checkbox"/>	<input type="checkbox"/>	
610	610	<input type="checkbox"/>	<input type="checkbox"/>	
630	630	<input type="checkbox"/>	<input type="checkbox"/>	
630T	630T	<input type="checkbox"/>	<input type="checkbox"/>	
631	631	<input type="checkbox"/>	<input type="checkbox"/>	
635	635	<input type="checkbox"/>	<input type="checkbox"/>	
635T	635T	<input type="checkbox"/>	<input type="checkbox"/>	
636	636	<input type="checkbox"/>	<input type="checkbox"/>	
636T	636T	<input type="checkbox"/>	<input type="checkbox"/>	
640	640	<input type="checkbox"/>	<input type="checkbox"/>	
640T	640T	<input type="checkbox"/>	<input type="checkbox"/>	
641	641	<input type="checkbox"/>	<input type="checkbox"/>	
641T	641T	<input type="checkbox"/>	<input type="checkbox"/>	
650	650	<input type="checkbox"/>	<input type="checkbox"/>	
655	655	<input type="checkbox"/>	<input type="checkbox"/>	
660	660	<input type="checkbox"/>	<input type="checkbox"/>	
670	670	<input type="checkbox"/>	<input type="checkbox"/>	
700	700	<input type="checkbox"/>	<input type="checkbox"/>	
700T	700T	<input type="checkbox"/>	<input type="checkbox"/>	
710	710	<input type="checkbox"/>	<input type="checkbox"/>	
710T	710T	<input type="checkbox"/>	<input type="checkbox"/>	
711	711	<input type="checkbox"/>	<input type="checkbox"/>	
711T	711T	<input type="checkbox"/>	<input type="checkbox"/>	
722	722	<input type="checkbox"/>	<input type="checkbox"/>	
722T	722T	<input type="checkbox"/>	<input type="checkbox"/>	
760	760	<input type="checkbox"/>	<input type="checkbox"/>	
760T	760T	<input type="checkbox"/>	<input type="checkbox"/>	
770	770	<input type="checkbox"/>	<input type="checkbox"/>	
777	777	<input type="checkbox"/>	<input type="checkbox"/>	
777T	777T	<input type="checkbox"/>	<input type="checkbox"/>	
790	790	<input type="checkbox"/>	<input type="checkbox"/>	
790T	790T	<input type="checkbox"/>	<input type="checkbox"/>	
791	791	<input type="checkbox"/>	<input type="checkbox"/>	
791T	791T	<input type="checkbox"/>	<input type="checkbox"/>	
800	800	<input type="checkbox"/>	<input type="checkbox"/>	
810	810	<input type="checkbox"/>	<input type="checkbox"/>	
820	820	<input type="checkbox"/>	<input type="checkbox"/>	
825	825	<input type="checkbox"/>	<input type="checkbox"/>	
830	830	<input type="checkbox"/>	<input type="checkbox"/>	
840	840	<input type="checkbox"/>	<input type="checkbox"/>	
850	850	<input type="checkbox"/>	<input type="checkbox"/>	
888	888	<input type="checkbox"/>	<input type="checkbox"/>	
920	920	<input type="checkbox"/>	<input type="checkbox"/>	
930	930	<input type="checkbox"/>	<input type="checkbox"/>	
940	940	<input type="checkbox"/>	<input type="checkbox"/>	
960	960	<input type="checkbox"/>	<input type="checkbox"/>	
ALD	ALD	<input type="checkbox"/>	<input type="checkbox"/>	
DEV	DEV	<input type="checkbox"/>	<input type="checkbox"/>	
FEE	HSC	<input type="checkbox"/>	<input type="checkbox"/>	
FEE_DVA_TOPUP	HSC	<input type="checkbox"/>	<input type="checkbox"/>	
FEE_TOPUP	HSC	<input type="checkbox"/>	<input type="checkbox"/>	
HSC	HSC	<input type="checkbox"/>	<input type="checkbox"/>	
HSCT	HSC	<input type="checkbox"/>	<input type="checkbox"/>	
OHS	OHS	<input type="checkbox"/>	<input type="checkbox"/>	

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

Customer: Job Class Template Print Preview

**PAID**

**Tax Invoice**

Invoice To  
MDP 113,  
Aged & Community Care Division,  
GPO Box 9848,  
CANBERRA 2601

Date 08/06/2022 Invoice No. 36994

P.O. Number	Terms	Due Date
	Due on rec...	08/06/2022

Service...	Item	Description	For	Tax C...	GST	Amount
08/06/2...	640			FRE	0.00	561.24
08/06/2...	640T			GST	1.96	19.60
08/06/2...	DEV			FRE	0.00	988.50
08/06/2...	640			FRE	0.00	561.24
08/06/2...	640T			GST	1.96	19.60
08/06/2...	DEV			FRE	0.00	988.50
08/06/2...	940			FRE	0.00	127.10
08/06/2...	600			FRE	0.00	145.50
08/06/2...	940			FRE	0.00	127.10
08/06/2...	940			FRE	0.00	127.10
08/06/2...	830			FRE	0.00	385.65
08/06/2...	DEV			FRE	0.00	988.50

Customer Message

Total Tax 3.92

TOTAL 5,043.55

☐ To be printed  
☐ To be emailed  
☐ Amounts include tax

Add Time/Costs... Apply Credits... Payments Applied 5,043.55  
Balance Due 0.00

Customer Tax Code

Memo Reference: Batch 799

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

P.O. Number	Terms	Due Date
	Due on rec...	14/06/2022

Service Date	Item	Description	For	Tax C...	GST	Amount
09/07/2022	HSC	Maintenance Agreement Co-Payment		FRE	0.00	23.05
09/07/2022	HSCT	Maintenance Agreement Co-Payment (Taxable Component)		GST	2.35	23.50

Customer Message

Total Tax 2.35

TOTAL 48.90