MYOB Exo Employer Services

End of financial year processes

2022–2023

myob

Contents

Introduction

This document explains what you need to do to finalise the 2021–2022 financial year, and how to prepare for the 2022–2023 financial year.

To make the end of financial year as straightforward as possible, it's important that you follow the instructions in this document in order.

Which Single Touch Payroll (STP) version should I use?

If you've already transitioned to STP Phase 2, you can complete the end-of-year tasks using STP Phase 2.

If you haven't yet transitioned to STP Phase 2, we recommend you finalise the 2021-2022 financial year using STP phase 1 before upgrading to the new Exo Employer Services version 2022.01 AU.

End of financial year checklist

This checklist covers what you need to do and the order to do them in. Some tasks are covered in more detail later in the document.

1. Reportable fringe benefits

Task	Done?
Reinstate Terminated Employee that was terminated during the Financial Year requiring updating for Reportable Fringe Benefits. **Important:** Employees' original start date must be used.	☐
Load Reportable Fringe Benefits through a One-off Pay using a Fringe Benefit-type Non-Cash Benefit. **Important:** Physical Pay Date no later than 31/03/2021. **Important:** Tick the Do Not Send to ATO checkbox on the one-off pay.	☐
Update Terminated Employees' status after updating Reportable Fringe Benefits. **Important:** Enter Employees' original Termination Date together with termination payment details, e.g. Reason for Termination. Do not update any monetary values.	☐

2. Print reconciliation reports

Report	Options	Done?

Trial Balance
Go to **Reports** > **Print Reports** > **Financial** > **Trial Balance**.
	• Pay Type: Selected
	• Date Range: 01/07/2021 – 30/06/2022
	• Pay Frequency: Any
	• Report Options:
	  o Summary
	  o Landscape
	  o Physical Pay Date
		☐

Pay Summary Go to **Reports** > **Print Reports** > **Pay** > **Pay Summary**.	• Pay Type: Selected • Date Range: 01/07/2021 – 30/06/2022 • Pay Frequency: Any • Report Options: o Physical Pay Date	☐

Report	Options	Done?
Print Costing Analysis Go to **Reports** > **Print Reports** > **Financial** > **Costing Analysis**.	• Pay Type: Selected • Date Range: 01/07/2021 – 30/06/2022 • Pay Frequency: Any • Report Options: o Hide Leave Accruals o Hide WorkCover o Hide Non-Cash Benefits o Physical Pay Date	☐
Superannuation Summary Go to **Reports** > **Print Reports** > **Financial** > **Superannuation Summary**.	• Pay Type: Selected • Date Range: 01/07/2021 – 30/06/2022 • Pay Frequency: Any • Report Options: o Show Terminated Employees o Physical Pay Date o Payment Summaries	☐

3. Finalise the 2021–2022 financial year

Task	Done?
Before creating the ATO file, backup the payroll company.	☐
Submit the final pay data to the ATO.	☐
Submit the Year End Finalisation declaration to the ATO.	☐
Change the Financial year lockdown date to 30/06/2022.	☐

4. Prepare for the 2022–2023 financial year

Task	Done?
If you haven't already transitioned to STP Phase 2, learn about what's changed and what you'll need to do before upgrading. If you've already transitioned, proceed to the next step	☐

Task	Done?
Upgrade to version 2022.01 of MYOB Exo Employer Services.	☐
Update tax thresholds and rates.	☐

Finalising the 2021–2022 financial year
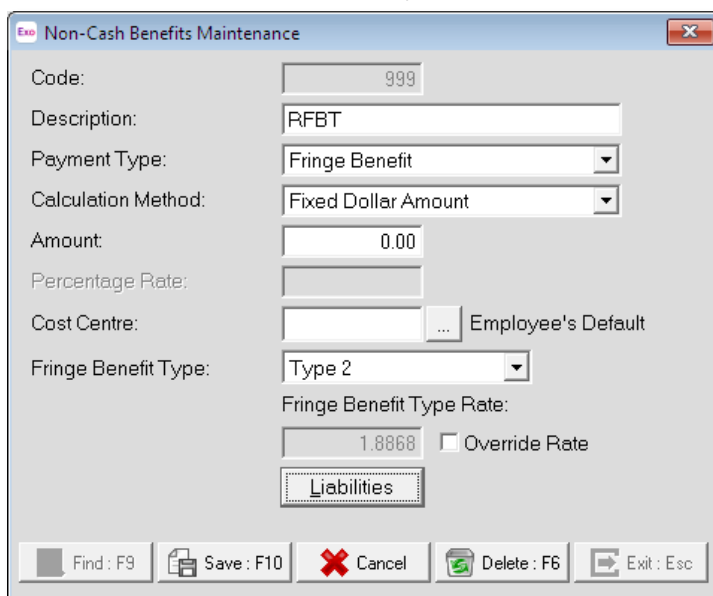
1. Reportable Fringe Benefits

Overview

Some of your employees may have Reportable Fringe Benefits that are to be shown on their Payment Summary for taxation purposes. Before printing your Payment Summaries, these Reportable Fringe Benefits must be loaded into the system.

These Reportable Fringe Benefits are loaded into the system as a Non-Cash Benefit pay item. You may already have a pay item set up for this purpose from a previous financial year. You can re-use this pay item.

Set up a non-cash benefit

1. From the Maintenance menu, select **Non-Cash Benefits**. The **Non-Cash Benefits Maintenance** screen opens.

2. In the **Code** field, enter a unique number. It is recommended that you use a number starting with *9* to ensure it will always appear at the bottom of your list of Non-Cash Benefits.
3. Enter a **Description**. For example, *RFB*.
4. Set the **Payment Type** to **Fringe Benefit**.
5. Set the **Calculation Method** to **Fixed Dollar Amount**.
6. In the **Amount** field, enter *0.00*. This will enable you to enter a number specific to each employee.
7. Select an appropriate **Cost Centre**. By leaving the **Cost Centre** as **0** (Employee Default), you will be able to change the cost centre specifically to each employee.

8. Select one of the following two **Fringe Benefit Type**:

Type	Description
Type 1	This type is used when the employer can claim a GST credit.
Type 2	This type is used when the employer cannot claim a GST credit. For example, supplies made that were either GST-free or input taxed.

9. Enter the reportable fringe benefits as either un-grossed up or grossed-up.

Type	Description
Un-grossed up	When the un-grossed up amount is entered, the system will calculate the grossed-up value depending on the **Fringe Benefit Type**.
Grossed-up	Enter the already grossed-up amount. You must select the **Override Rate** checkbox and enter *1.00* as the override rate.

10. If you're using STP Phase 2, then FBT-exempt items (e.g. a portable electronic device) need to be reported as salary sacrifice. If this non-cash benefit is part of a salary sacrifice agreement, select the **Salary Sacrifice** checkbox. This reports the benefit in STP with a reporting type of Salary Sacrifice – Other Employee Benefits.
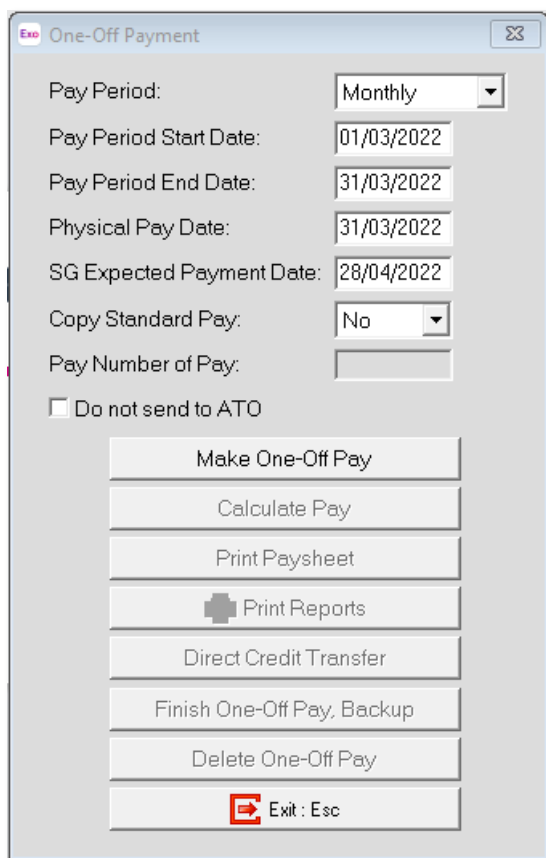

Note: For more information, see **STP Phase 2 employer reporting guidelines** on the ATO website.

11. Click **Save** or press **F10** to save the non-cash benefit.

Load reportable fringe benefit amounts

Reportable fringe benefits are loaded into the system by means of a one-off pay.

From the **Pay** menu, choose **One-Off Pay**.
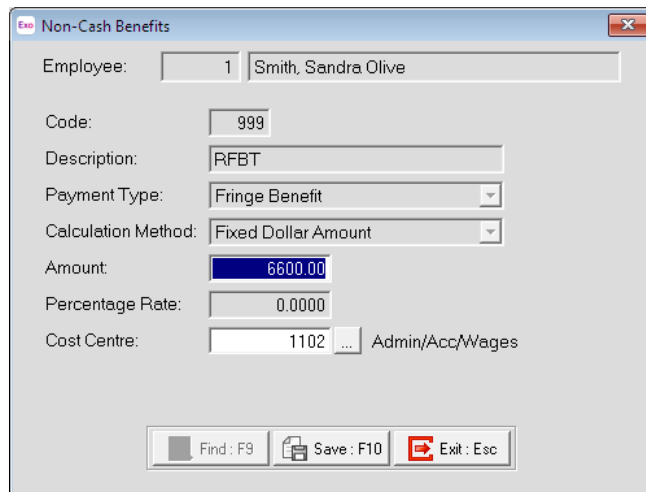
1. The Fringe Benefit Tax Year is from April 1 the previous year to March 31 the current year. So, the **Pay Period End Date** and **Physical Pay Date** should be no later than March 31 of the current year. If either of these dates are after March 31, the Reportable Fringe Benefit will not appear in the correct Fringe Benefit Year.
2. As this pay will only contain the Reportable Fringe Benefit Amounts, choose **No** from the **Copy Standard Pay** dropdown.
3. To create the pay, click **Make One-Off Pay**. A message appears, asking if you want to pay all the employees in this pay frequency.
4. If you aren't entering Reportable Fringe Benefits for all your employees, click **No** in the message window.
5. Click **Calculate Pay**.
6. To select the employee requiring Reportable Fringe Benefits update, click **Find**. A message appears, stating that the employee is not currently in this pay. This only appears if you chose not to include all the employees in the One-Off Pay.
7. In the message window, click **Yes** to include the employee in the One-Off Pay.
8. Select **Non-Cash Benefits**.

9. Click **Add** or press **F4**.

10. In the **Code** field, enter the Code assigned to the Reportable Fringe Benefit pay item.
11. Enter the **Amount**.
12. If you did not assign a Cost Centre when you set up the Non-Cash Benefit, assign a **Cost Centre** now.
13. Click **Save** or press **F10**.
14. Click **Save** or press **F10** again to return to the employee's One-Off Pay. The One-Off Pay for the employee should not show any values, because Non-Cash Benefits aren't physically paid to the employee.
15. Repeat steps 5–15 to update other employee records for Reportable Fringe Benefits.
16. Click **Print Reports**. The **Select Report** screen opens.
17. On the **Maintenance** tab, print a **Non-Cash Benefit History** report.
18. Use the report to check that you have entered the correct values for the appropriate employees.
19. You can also print the **Pay Summary** report.
    a. On the **Select Report** screen, go to the **Pay** tab.
    b. Click **Pay Summary** from the list of reports and click **Select**.
    c. On the **Print Report – Pay Summary** screen, click **Report Options**.
    d. Select the **Use Grossed up Value for Fringe Benefits** checkbox.
    e. Click **Save**.
    f. On the **Print Report – Pay Summary** screen, click **Print**.
20. On the **One-Off Payment** screen, click **Finish One-Off Pay, Backup** to complete and update the One-Off Pay. A message appears, asking you to confirm that the pay is correct and that all reports are printed.
21. In the message window, click **Yes**. You'll be prompted to do a backup.
22. Once the backup is completed, a message will appear, confirming that the pay has successfully been updated. Click **Ok**.
23. To update this information to the ATO, go to **Pay** > **Single Touch Payroll** > **Update**.

2. Submit final pay period data

If the payroll setting for STP is not set to **Auto submit STP pay event date to ATO after every pay update**, submit your final pay period data to the ATO as has been the case after each pay update.

3. Send a finalisation declaration

With Single Touch Payroll, at the end of each financial year, you must send a finalisation declaration for each employee. You need to do this regardless of the method the pay data is being sent after each pay update.

So, even if the payroll is set to **Auto submit STP pay event date to ATO after every pay update**, the finalisation declaration must also be sent.

This declaration has the year-end totals of the STP data for each employee.

To send a finalisation declaration:

1. Go to **Pay** > **Single Touch Payroll** > **Finalisation**.
2. On the **Single Touch payroll – Finalisation** screen, either select the **Select All** checkbox, or select the individual employees to be included in this submission.

Note: Selecting individual employees is useful if there was an error with a previous declaration, and you need to send an updated, correct declaration for an individual employee.

3. Click **Send to ATO**.

4. Lockdown the financial year

Once the Year End Finalisation declaration has been submitted to the ATO final task is to lockdown the Financial year.

> **Note:** Prior to this step you should have a backup of the payroll company.

To lockdown the payroll company:

1. Go to **Utilities** > **Setup Exo Payroll** > **Other** > **Other**.
2. In the **Financial year lockdown date** field, enter 30/06/2022.

3. Click **Save**.

Preparing for the new financial year

1. Understand STP Phase 2 before upgrading

An important part of preparing for the new financial year is to make sure you understand STP Phase 2. This is because, once you upgrade to 2022.01, you'll need to transition your data to meet the new reporting requirements.

If you haven't transitioned to STP Phase 2 yet, we've got you covered! You can learn all about what's changed and what you'll need to do by reading the release notes for version 2021.09 and our STP Phase 2 customer guide.

2. Upgrade to version 2022.01

When you're ready to begin the new financial year, you can upgrade to MYOB Exo Employer Services version 2022.01.

For help manually upgrading to the new version, see the relevant support article.

3. Update tax thresholds and rates

After upgrading to version 2022.01, you can update the release notes for MYOB Exo Employer Services version 2022.01 describe all the tax and compliance updates for the 2022–2023 financial year, and the changes you need to make in your MYOB software.