

# How to raise a Tax Invoice for Progress Claims

Using 'Journal' type stock allows you to invoice out 'progress claims' against a project (job or series of jobs), then reverse the value of the progress claims off the final invoice. This will show the remaining balance owing against the final invoice (project), while recording all the costs and income against the correct GL accounts.

## **Accounts Reporting for Progress Claims:**

Note that you can report Progress Claims as Income, or as a Liability. The Stock GL Group defines whether the value is deemed Income or Liability.

To create a Stock GL Group for Progress Claims to report as **Income**:

1. Go to Accounts>General Ledger and add a new Income GL account (4-XXXX Progress Claims) and COGS GL account (5-XXXX Progress Claims).
2. Go to Tools>Setups>GL Groups and add a new Stock GL Group, Type = Non depleting, Journal and call it "Progress Claims - Income". Link this Stock GL Group to your new 5-XXXX Progress Claims and new 4-XXXX Progress Claims accounts, and save.

Stock Type:	<input type="text" value="Non Depleting, Journal"/>	
Stock GL Group:	<input type="text" value="Progress Claims - Income"/>	
Purchase GL Acc:	<input type="text"/>	Asset - Normally 1xxxx Account
COGS GL Acc:	<input type="text" value="54110"/> <input type="text" value="Progress Claims"/>	Cost Of Sales - Normally 5xxxx Account
Income GL Acc:	<input type="text" value="44110"/> <input type="text" value="Progress Claims"/>	Income - Normally 4xxxx Account (or 2xxxx for Liability)

To create a GL Group for Progress Claims to report as a **Liability**:

1. Go to Accounts>General Ledger and add a new Liability GL account (2-XXXX Progress Claims) and COGS GL account (5-XXXX Progress Claims).
2. Go to Tools>Setups>GL Groups and add a new Stock GL Group, Type = Non depleting, Journal and call it "Progress Claims - Liability". Link this Stock GL Group to your new 5-XXXX Progress Claims and new 2-XXXX Progress Claims accounts, and save.

Stock Type:	<input type="text" value="Non Depleting, Journal"/>	
Stock GL Group:	<input type="text" value="Progress Claims - Liability"/>	
Purchase GL Acc:	<input type="text"/>	Asset - Normally 1xxxx Account
COGS GL Acc:	<input type="text" value="54110"/> <input type="text" value="Progress Claims"/>	Cost Of Sales - Normally 5xxxx Account
Income GL Acc:	<input type="text" value="21600"/> <input type="text" value="Progress Claims"/>	Income - Normally 4xxxx Account (or 2xxxx for Liability)

To Add a Stock Code to report the value of the Progress Claim:

1. Add a new stock record eg PROGRESS.CLAIM.I (or.L), Type = Journal, select the new Stock GL Group, and in the description field put what you want eg Progress claim #1, select tax code G as GST is reportable (refer to document NAT 15398-07.2010 which can be downloaded from the ATO website – <http://www.ato.gov.au/>). You may want to assign this stock record to a stock group.

Viewing Stock - PROGRESS.CLAIM.I

Stock Code: PROGRESS.CLAIM.I Type: Journal GL Group: Progress Claims - Income Active: 3674

Desc: Progress claim # <enter details here>

Measure Unit	Quantity	Unit Description	Barcode
1 UNIT	= 1.0000		1003674000000
2	=		
3	=		

This stock I

Buy in UNIT G 10 %  Manufacture

Sell in UNIT G 10 %  Service

Branch	Location	Qty on Hand	Committed	Available	BackOrder	Packaged	On PO

Serial# Attributes

not required  not required

on purchase  on purchase

on sell  on sell

Groups: Progress Claims

Viewing Stock - PROGRESS.CLAIM.L

Stock Code: PROGRESS.CLAIM.L Type: Journal GL Group: Progress Claims - Liability Active: 3677

Desc: Progress claim # <enter details here>

Measure Unit	Quantity	Unit Description	Barcode
1 UNIT	= 1.0000		1003677000000
2	=		
3	=		

This stock I

Buy in UNIT G 10 %  Manufacture

Sell in UNIT G 10 %  Service

Branch	Location	Qty on Hand	Committed	Available	BackOrder	Packaged	On PO

Serial# Attributes

not required  not required

on purchase  on purchase

on sell  on sell

Groups: Progress Claims

2. For each progress claim, add a sales or Billing job, add the PROGRESS.CLAIM stock and a description, Qty 1 and whatever amount you are charging on the claim.
3. On the final job for the project, add the PROGRESS.CLAIM. stock as the last line of stock, Qty1 and put a negative value against it so the overall job total is the balance owing after deducting the previous progress claims, then invoice the job.
4. The overall sale will report as usual, but you will also have a reversing entry against the Income account in the linked Progress Claim GL group account.

Note: Journal type stock is ideal for adding negative values to jobs, for example Rebates and Donations.

For further information or assistance please contact the Happen support team on 02 9570 4696 or email [support@happen.biz](mailto:support@happen.biz).