



# insight

**for Tourism  
& Hospitality**

An industry-specific guide  
for your MYOB software

**MYOB**<sup>®</sup>

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## Introduction

The focus of most accommodation providers and tourism operators is naturally their guests and their clients. Most such businesses need a neat database for managing customer contact details as well as good-looking invoices and receipts. Many tourism providers need to track deposits paid in advance as well as how much income they generate from each activity, location or source. They also need to be able to manage expenses, produce Business Activity Statements at the drop of a hat and see how much money they've made at the end of the day.

Happily, all of this is a breeze with MYOB software. In this guide, you'll find practical advice about all these issues, along with lots of ideas and tips, for all types of people working in the tourism industry, whether you're an abseiling adventure company; a guest-house; an owner of holiday cottages; a bed-and-breakfast; a chartered yacht owner or a backpacker hostel.

Throughout this guide, you'll also come across case studies where you can read real-life situations. Browse through these case studies to get the big picture of how MYOB software can work for you.

# Choosing your MYOB software

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## Choosing your MYOB software

For businesses with no employees, either MYOB BusinessBasics (for Windows) or MYOB FirstEdge (for Macs) provide a perfect starting point. However, if you need advanced financial reports, want to keep track of payables or require inventory reporting, then MYOB Accounting is your best bet.

For businesses with employees MYOB Accounting Plus is perfect, as it includes both payroll and time billing. For larger businesses where more than one person does accounts, MYOB Premier (for Windows) or MYOB AccountEdge (for Macs) provide the most suitable solution as these versions provide multi-user capability, meaning that more than one person can work in the software at a time.

Whichever product you choose, if you want to upgrade to another product that's 'further up the family tree', you can do so at any time. You don't need to buy the new software from scratch; you simply pay an upgrade price.

To find out more about these MYOB products, visit [www.myob.com.au/products/](http://www.myob.com.au/products/).

# Understanding the essentials

The following five steps are a brief guide to getting started, highlighting important information specific to the tourism industry.

## Creating your accounts list

When you create the company file for your business, the **New Company File Assistant** asks you to **Build Your Accounts List**, giving you the option of starting with a standard list. Select **All** as your **Industry Classification** and then pick a business close in nature to your own from the **Type of Business** list. Standard choices include motel/hotel; property management; restaurant and travel agency. If none of these descriptions fit your business, select **Service Business, Other**.

Any of these templates provide sample lists of accounts and are a good starting point. Don't worry if you can't find an accounts list that is perfect – later on, you can add, change or delete as many accounts as you like.

## Reviewing your accounts list

Before entering your opening balances, you need to adapt your accounts list so that it suits the unique needs of your business.

Your accounts list is a list of categories to which you allocate all transactions. There are eight major account categories (or, for MYOB BusinessBasics and MYOB FirstEdge, there are six categories).

Account Category	What it means
Assets	Things you own, or that people owe you. Includes bank accounts, outstanding fees and new equipment. Asset account numbers start with <b>1</b> .
Liabilities	What you owe to other people. Includes loans, taxes payable, security deposits held and outstanding supplier accounts. Liability account numbers start with <b>2</b> .
Equity	This is the profit or loss that your business has made since its inception. Examples of equity accounts include retained profits, partners' drawings, or capital contributions. Equity account numbers start with <b>3</b> .
Income	Money in! Everything you invoice to your customers. Income account numbers start with <b>4</b> .
Cost of sales	Cost of sales are any direct costs. Goods you buy for resale (such as materials, direct job expenses or software) go here. Cost of sales account numbers start with <b>5</b> .
Expenses	Overheads. The day-to-day running costs of your business. Includes advertising, electricity, repairs, wages, and so on. Expense account numbers start with <b>6</b> .
Other Income	Extraordinary income that is not part of normal operations. Could include compensation income, capital gains or interest income. Other Income account numbers start with <b>8</b> . This account category is not available in MYOB BusinessBasics or MYOB FirstEdge.
Other Expenses	Extraordinary expenses that are not part of normal operations. Could include lawsuit expenses, capital losses, or fire damage costs. Other Expenses account numbers start with <b>9</b> . This account category is not available in MYOB BusinessBasics or MYOB FirstEdge.

# Understanding the essentials

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## Checking your preferences

You can customise all MYOB software so that it works for your business the way you want it to. You can do everything from changing the appearance of your windows, to automatically requesting a backup prompt each time you quit the program. It all happens via the **Preferences** window.

To review your preferences, go to the **Setup** menu, choose **Preferences** and then explore the **System, Windows, Reports & Forms, Banking, Sales, Purchases** and **Security** tabs. Remember—your choice of preferences does not commit you to this for ever and ever, for you can change your preferences at any time.

One preference setting is recommended, especially for new users. Make your company file *changeable*. If you make mistakes, you can correct them without needing to make complicated reversing journals. To do this, go to the **Security** tab in the **Preferences** window and clear the **Transactions CAN'T be Changed; They Must be Reversed** checkbox.

## Setting up opening balances

To enter opening account balances, go to the **Setup** menu; choose **Balances**, and then choose **Account Opening Balances**. To enter opening balances for outstanding customer accounts, go to the **Setup** menu; choose **Balances**, and then choose **Customer Opening Balances**. To enter opening balances for outstanding supplier accounts, go to the **Setup** menu, choose **Balances**, and then choose **Supplier Opening Balances** (if you have MYOB BusinessBasics or MYOB FirstEdge, you don't need to set up supplier opening balances).

To get up and running, you only need to enter opening balances for a few accounts. Bare essentials will probably include your bank account and any customer accounts owing. Your opening account figures won't balance, but this out-of-balance amount simply goes to the Historical Balancing account. You or your accountant can fix this later.

## Getting ready to go

Before you start entering transactions, work out how you intend to back up your company file. If your file is going to contain very few transactions, you may be able to fit your backup onto floppy disk. Otherwise, you'll need a CD burner or a zip drive.

You might have been lucky so far, but *nobody* can guarantee continued immunity to power surges, theft, fire or hard disk failure. If you don't organise a system now, you'll probably forget about it until it's too late—and then you'll be sorry.

# Creating accounts and receipts

Many businesses in the tourism industry, such as adventure companies, bed & breakfasts, guest houses and so on, like to use MYOB software to raise customer invoices and receipts, maintain a customer database and keep track of who owes them money. The next few sections of this guide explain how to do all of these things.

On the other hand, if you have a very simple business, maybe a single holiday cottage, a canoe hire company or a simple tour guide service, then it may not be practical to track every sale. Instead, it might work better to issue hand-written receipts when requested and simply record daily or weekly banking as a single total in your MYOB software. (If this is the case for you, you can skip the next few sections about creating accounts and receipts.)

Last, you might have a shop-front type of business, such as a souvenir shop, café or restaurant, where you make many sales every day using a cash register or Point of Sale system. In this scenario, you can also skip the next few sections about creating accounts and receipts. To find out more about recording sales transactions, refer to *MYOB Software for Retailers*.

## Creating your first invoice

To create your first guest account, go to the **Sales** command centre and click **Enter Sales** (or, for MYOB BusinessBasics and MYOB FirstEdge, go to the **Sales Register** and click **New Sale**). Next, click **Layout** to choose the most appropriate invoice format. There are three main invoice layouts: **Service**, **Item** and **Professional**.

The best invoice format for accommodation providers and tourism operators is usually an **Item** invoice, as you can set up every service you provide as an item in your Items List. Think of an item as being anything you can sell, such as a nightly rate, linen charges, a day's abseiling, breakfast, gear hire or telephone calls. If rates vary according to the day or the season, create a new item for each rate. For example, you might have an item called Midweek Rate, priced at \$80 per night, and another item called Weekend Rate, priced at \$110 per night.



### Set up your Items List so that you have one item per service that you provide

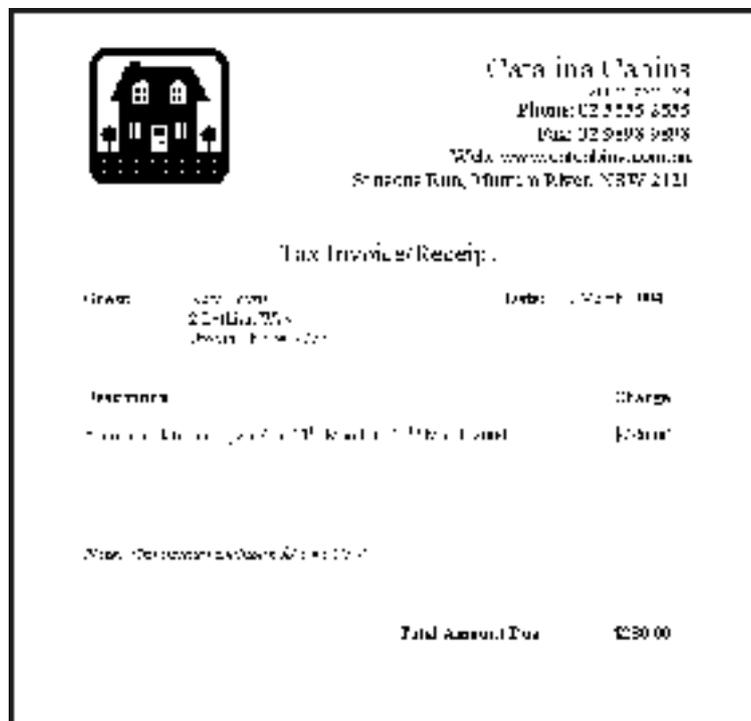
With your Items List complete, all you have to do to complete a sale is complete the quantity and item code. You can override the default description of the price at any time, and you can insert headers, subtotals or additional lines of description.

# Creating accounts and receipts

## Changing the look and layout of your invoices

With all MYOB software, you can customise accounts or receipts so that they look exactly as you want them to look. You can change the fonts; add your own logo; draw boxes; add comments and much more. You can also get rid of information that you don't want, such as the quantity, backorder and tax code columns. All you have to do is go to the **Sales** command centre; click **Print Invoices** and then click **Customise** (refer to MYOB help for more details on customisation commands).

Below is one possible way in which you could customise an invoice. Note that although this invoice has been designed using a standard item layout as the starting point, the final version is quite clean and simple, as many of the fields that appear on the standard invoice (such as tax summaries, memos and shipping addresses) have been deleted.



You can customise your printed invoice to look exactly how you want it to look

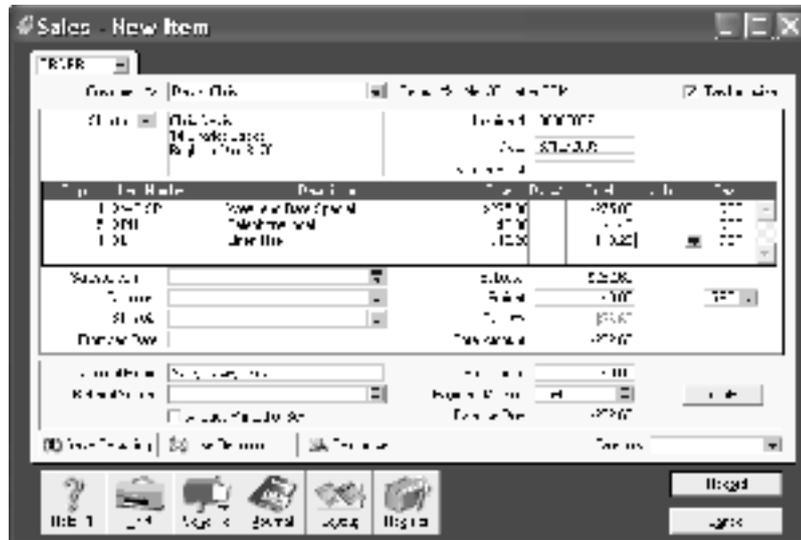
## Adding charges progressively to an invoice

In the tourism industry, it's common to generate an invoice in advance for a customer, whether for accommodation or for an excursion. If an invoice isn't yet finalised, or if you have yet to provide the service, it's best to select **Order** as the status of this sale. To do so, go to the **Enter Sales** window as normal (or, for MYOB BusinessBasics and MYOB FirstEdge, click **New Sale** in the **Sales Register**) and in the top-left hand corner select **Order** (or, for MYOB BusinessBasics and MYOB FirstEdge, select **Quote**).

When transactions have Order or Quote as their status, they don't affect financial reports or receivables. They sit in a 'not-quite-ready basket', ready to be finalised.

# Creating accounts and receipts

Whenever you want to add charges to this order or quote, simply zoom in on it from the **Sales Register** and edit as appropriate. For example, you might add meals, linen or telephone calls to a guest's invoice throughout their stay, or you might add gear hire to a customer's canyoning excursion invoice.



You can add charges progressively until you're ready to finalise an invoice

When the sale is complete, zoom in on the order or quote one last time. Make your final changes, but before clicking **Record**, click **Change to Invoice**. The invoice is now finalised and ready to print.

## Providing different payment options for your guests

By subscribing to a special service called MYOB M-Powered® invoices, you can offer your guests the choice of paying invoices by BPAY®, Postbillpay (at all Australia Post outlets) or by credit card over the phone.

The main advantage of this service is that by providing more ways for your guests to pay you (especially if you invoice in advance for security deposits), you'll be paid quicker, not to mention the fact that receiving electronic payments is less time-consuming than receiving cheques. Also, by offering these facilities you will make your business look that much 'bigger' and more professional.

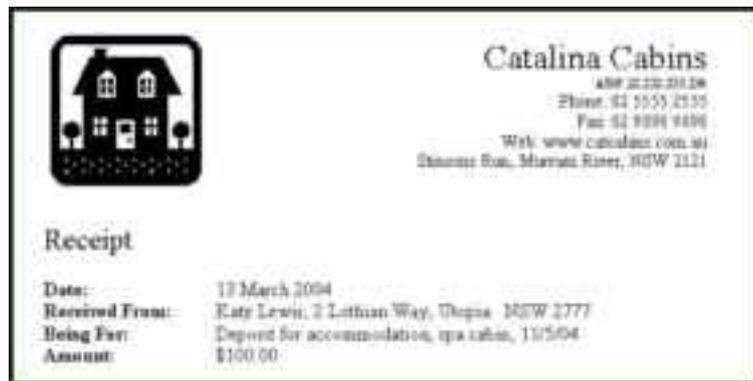
For more about MYOB M-Powered invoices, see [www.myob.com.au/m-powered/](http://www.myob.com.au/m-powered/).

## Issuing receipts

# Creating accounts and receipts

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If you like, you can issue receipts for money received, rather than a full invoice. Receipts are essentially the same as an invoice, but are generally smaller with less detail. To print a receipt, go to the **Sales** command centre, record the payment in the **Receive Payments** window, and then click **Print Receipts** (note that this feature is not available in MYOB BusinessBasics or MYOB FirstEdge).



It's easy to print receipts, as well as invoices

# Receiving advance bookings and deposits

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MYOB software has some great features for tracking advance bookings and security deposits. Read the next few sections of this guide to find out more.

## Dealing with security deposits

Sales can have three different statuses: Quote, Order or Invoice (although orders are not available in MYOB BusinessBasics or MYOB FirstEdge). You can select the status in the top-left corner whenever you create a sale.

When you receive a deposit paid in advance, you're best to create a new sale, selecting **Order** as the status. When you apply a payment to an order, MYOB software recognises that this is an advance payment, and automatically allocates the amount to a liability account.

## Setting up linked accounts, ready for security deposits

To set up linked accounts ready for forward deposits, first go to the **Setup** menu, choose **Linked Accounts** and then choose **Sales Accounts**. Ensure you have marked the **I track deposits collected from customers** checkbox and make sure the linked account is a liability account, called something like Deposits Received. That's all there is to it!

## Receiving forward bookings or deposits

To receive a booking or payment in advance, do the following:

1. When a customer books ahead, create a new card with their name and contact details. If they provide a credit card as security, go to the **Card File** command centre and create a new card for that guest, with their name, address and other details. (If the guest has chosen to provide you with a credit card number in order to confirm the booking, enter this number, along with the expiry date, in the **Notes** field of their card.)
2. Next, create a new sale for this booking, selecting **Order** as the status. Use the **Promised Date** field to record the date for which the booking is made.
3. If the customer sends a security deposit, go to the **Receive Payments** window and record as normal. MYOB software automatically records this forward payment in a liability account for customer deposits. If desired, print a copy of this order and mail to the customer as confirmation of their payment and the balance due.

## Viewing forward bookings

To view a list of all forward bookings, complete with dates for which bookings are made, go to the **Sales Register**, click the **Orders** tab, and change the date range, if necessary.

## Turning bookings into sales

To finalise a booking into a sale, go to the **Sales Register** and click the **Orders** tab. Highlight the order and then click **Change to Invoice** (or, if you want to check the order one last time before finalising, zoom in to check details, then click **Change to Invoice**).

# Receiving advance bookings and deposits

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## Accounting for GST on security deposits

Generally speaking (although please check with your accountant that this applies to your particular business circumstances), GST doesn't apply to security deposits. Assuming you record security deposits using the method described above (applying payments to orders), then MYOB software won't show GST as being payable when the deposit is received. This is perfect!

However, if you report GST on a cash basis, MYOB software shows GST as being payable as soon as the deposit is received. Because of this, if you regularly have a large dollar value tied up in security deposits, you may prefer to manually adjust your GST reports for the value of GST on deposits held. Talk to your accountant if you're not sure of the best approach.

# Receiving money

Although recording customer payments is very easy, when first starting out with MYOB software, take time to consider the best approach. You'll find you can record cash payments at the same time as creating the sale transaction; you can record payment methods and batch payments together; you can even print bank deposit slips. Read the following sections to find out more.

## Recording payments

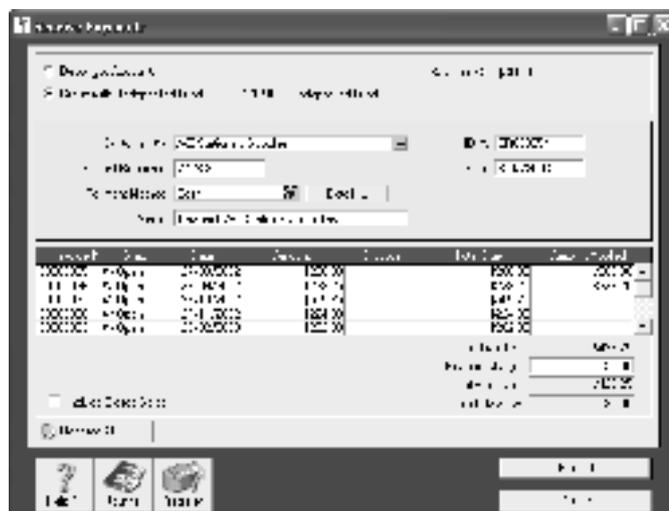
There are two ways to record customer payments. If this is a cash customer, and you are creating an account at the same time as receiving the payment, then the easiest way is to use the **Paid Today** and **Payment Method** fields, found at the bottom of the Sales invoice. This way you can record the sale and the payment all in the one hit.

If you have already recorded the customer invoice, then you'll need to take a different approach:

1. Go to the **Sales** command centre and click **Receive Payments**. Decide whether you want to deposit this payment straight into your bank account, or whether you want to use the undeposited funds feature. See working with undeposited funds below for more details.
2. Enter the **Customer** name and the **Amount Received**.
3. Select the **Payment Method**. If you want to print out bank deposit slips, remember to click **Details** when recording cheques, and then enter the account name and number in the space provided. (Alternatively, for repeat customers, set up account details in the **Payment Details** tab of their card.)
4. Tab through the columns to apply the payment against outstanding invoices, starting from the oldest invoice first, and moving toward the most recent. If you want to apply a payment to a different invoice, simply click in the **Amount Applied** column next to the invoice concerned, and type in the payment amount. Click **Record**.

## Working with undeposited funds accounts

Whenever you record a customer payment, you have a choice between depositing customer payments into your bank account or grouping them with undeposited funds.



You can choose to deposit money into an undeposited funds account

# Receiving money

Setting up an undeposited funds account makes sense if you receive several customer payments per day or if you tend to spend cash from customers before banking the money. However, if you only receive a couple of customer payments at a time and don't deal with much cash, then you can forget about setting up an undeposited funds account. Instead, simply record all customer payments direct into your bank account.

The idea of an undeposited funds account is that you record all customer payments as going into this account. Later, when you deposit cash or cheques into your bank account (or you receive a batch of EFTPOS payments), you create a bank deposit that transfers the money *out* of undeposited funds and *into* your business bank account. The result? The balance of your undeposited funds account returns to zero, and the deposit of all the customer payments into your bank account shows up as a single amount in your business bank account. Once you get used to the whole idea, it works pretty well.

## Setting up undeposited funds

If you decide that you want to use an undeposited funds account, here's what to do:

1. First, go to the **Setup** menu, choose **Linked Accounts** and then choose **Accounts & Banking Accounts**. Make sure that the **Bank Account for Undeposited Funds** in this list is your Undeposited Funds account and then click **OK**.
2. Next, go to the **Preferences** window, click the **Sales** tab and then mark the **When I Receive Money, I Prefer to Group It With Other Undeposited Funds** checkbox.
3. Last, remember to click the **Group with Undeposited Funds** radio button whenever you record a customer payment or receive any other money (or, if you're using the Bank Register, select the Undeposited Funds account in the top left **Account** field).

## Transferring money into your bank account

If you're using an undeposited funds account, you need to create a bank deposit whenever you do your banking or close off your EFTPOS machine. Here's what to do:

1. Go to the **Banking** command centre and click **Prepare Bank Deposit**. You'll see a window like the one below



You can batch payments into groups, making it easier to reconcile your bank account

# Receiving money

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2. From the drop down list in the top-left-hand corner, select which bank account this money is to be paid into.
3. Select a payment method, if you wish. If all your payments are of a similar type, you can leave this as **All Methods**. However, if you receive a mixture of cash, EFTPOS, cheques and so on, then you're best to select one payment method at a time (that's because different kinds of payments show up separately on your bank statement).
4. Enter the date, and if you like, write a comment in the **Memo** field. Then go through the **Deposit** column, marking the receipts you want to include on this bank deposit. Click **Record** when you're done, or click **Print** to print a bank deposit slip.

## Seeing how much you're owed

Go the **Analysis** menu in the Command Centre and choose **Receivables**, or, for MYOB BusinessBasics and MYOB FirstEdge, simply click **Analyse Receivables** in the **Sales** command centre. You'll see a summarised Analyse Receivables report, aged as at the current date, showing the names of all customers who owe you money and how overdue they are. You can click the zoom arrows next to any guest's name to go straight to a detailed breakdown of their outstanding invoices.

# Case study - Clancette's Bed & Breakfast

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**Business Name:** Clancette's Bed & Breakfast

**Business Overview:** Clancette has a simple bed and breakfast business, operating from a cottage at the back of her garden. She uses MYOB FirstEdge.

**Description:** Clancette is an example of the simplest of setups. She finds it easiest to give visitors hand-written receipts rather than switch the computer on every morning and once a month, Clancette records total income banked using the **Receive Money** transaction type in the **Bank Register**, referring to her bank deposit book and receipt book. She records all her cheque stubs, bank fees and direct debits using the **Spend Money** transaction type.

Clancette frequently purchases food and other consumable items with her own cash. She keeps these receipts separately, and once every few weeks writes a cheque from her business account to reimburse herself. Occasionally, she spends cash income from visitors, using it for her own personal spending. She records this income using the **Record Journal Entry** window, debiting her drawings account and crediting income.

Clancette keeps her slightly chaotic system in check by making sure she reconciles her bank account every time she receives a bank statement. She also keeps an eye on how her business is going by regularly printing Profit & Loss reports, where she analyses her income and expenses, and compares these figures with previous years.

In the future, Clancette plans to improve her occupancy rates by creating a new card for every guest, aiming to build up a database that can be utilised for marketing purposes. At this point, she intends to print receipts for her guest, hopefully creating a more professional impression.

# Setting up your guest database

MYOB software provides an excellent starting point for most customer databases. Customer cards have room for up to five addresses, each with three phone numbers, a fax number, email address, web address, contact name, and the name to whom mail merge letters should be addressed. You can even store special comments in the **Notes** field and group customers into pre-defined categories, using custom lists and identifiers.

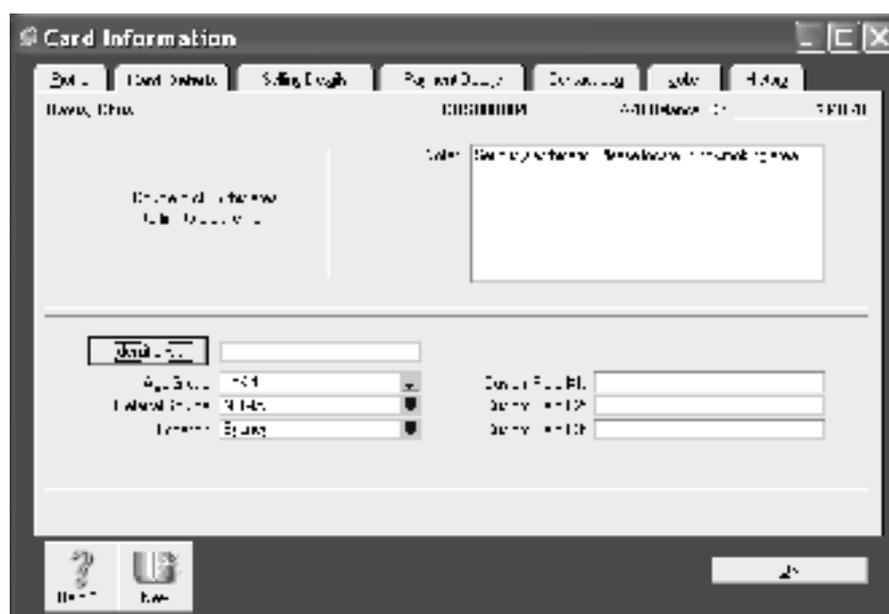
## Splitting guests into groups

If you go into a customer's card and click the **Card Details** tab, you'll see that you can categorise customers using both custom fields and lists. Custom lists are particularly useful as a way of organising customers into groups. You can organise customers in any manner you wish: by location, by age, by gender, by referral source, and so on.

Here's what to do to set up customer groups:

1. First decide how you're going to group your customers, e.g. by location, by type, by product, etc.
2. Go to the **Lists** menu, choose **Custom List & Field Names**, and then choose **Customers**. Change the title of **Custom List #1** (and **Custom List #2** and **#3** if desired) to indicate the way you're going to group customers, for example, by changing the name of **Custom List #1** to Location.
3. Next, decide what categories sit within each group. For example, within the group of location, you might have Sydney, Brisbane and Melbourne.
4. Go to the **Lists** menu, choose **Custom Lists** and then choose **Customers**. Now add the categories that you want to appear in each custom list.

That's all there is to it! The screenshot below shows some idea of how this could work for a guest house, but of course, you can apply these principles in many hundreds of ways.



Setting up custom lists lets you organise customers into groups

# Setting up your guest database

## When you run an independent database

Some larger accommodation providers decide to run separate booking software, so that they can keep track of forward bookings for each room, automatically add telephone calls or dining, analyse occupancy rates and so on. In this scenario, work out how you can best use your MYOB software in conjunction with your booking software.

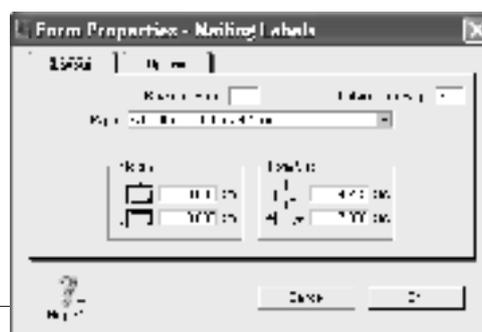
- Don't waste valuable time typing information once into your MYOB accounting software and once into an independent database. Work out what tasks each software package does and make sure there is minimal duplication.
- You can use the Import/Export features in your MYOB software's File Menu to transfer information manually.
- Consider running MYOB software as a simple 'cashbook' alongside the booking software. For example, the booking software would track the details of each guest and their spending, whereas MYOB software would only track the total amount banked, working from the bank statement.
- If you decide to maintain tighter internal controls, consider linking your booking software automatically with your MYOB accounting software. With the help of MYOB DeveloperPack, you may be able to synchronise the two programs so that the exchange of information is automated, without the need for anything to be recorded twice. For more information email [solutions@myob.com.au](mailto:solutions@myob.com.au).

## Printing mailing labels

Direct mail is probably the most effective way of advertising. You can use your MYOB software to develop a database of both existing and prospective customers and, if you like, generate personalised letters and mailing labels. (Note that these features aren't available in MYOB BusinessBasics or MYOB FirstEdge.)

Although the mailing label menu has a few standard sizes listed, chances are that none of these sizes will exactly match what you have available. The easiest approach is to buy the size of mailing labels that you want and then customise MYOB software to print onto them. Here's what to do:

1. Go to the **Card File** command centre and click **Print Mailing Labels**.
2. Select any one of the standard label sizes as the **Selected Form for Mailing Label**. Then click **Customise**.
3. Go to the form properties icon on the forms toolbar. Specify the size of the paper, the margins (often there aren't any with mailing labels), the number of rows and columns and the actual dimensions of the labels.
4. Still in the **Customise Mailing Labels** window, change the font and size of the name and address, if desired.
5. Click **OK** and you should be done. Try printing 20 or 30 labels as a test.



It's easy to print mailing labels

# Dealing with expenses

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The simplest way to record expenses, suitable for many smaller businesses, is to go to the **Banking** command centre and click **Spend Money** (or, for MYOB BusinessBasics and MYOB FirstEdge, go to the **Bank Register** and select **Spend Money** as the transaction type). See [recording expenses](#) below to find out more.

An alternative way to record expenses, suitable for larger businesses, is to enter all supplier invoices in the **Purchases** command centre when you receive them. Later, these invoices are paid using **Supplier Payments**. (Note that purchases aren't available in MYOB BusinessBasics or FirstEdge.) This method works well if you have a substantial amount of accounts to be paid each month and you want to keep tabs on how much you owe, but by its very nature is a more complicated way of working. See [recording a supplier invoice on page 20](#) to find out more.

## Recording expenses

To record an expense:

1. Go to the **Banking** command centre and click **Spend Money**. (Or, if you're using MYOB BusinessBasics or MYOB FirstEdge, select **Spend Money** from the **Bank Register**.)
2. Click the **Pay from Account** radio button in the top-left and select your bank account, or, if you plan to make this payment online, click **Group with Electronic Payments**.
3. For cheques, enter the cheque number in the **Cheque No.** field. For other transactions, such as credit card debits or electronic payments, simply ignore the **Cheque No.** field.
4. Enter the date and amount, and in the **Card** field, enter the name of the person you are paying. If you've never paid this person before, you'll see a list of cards, asking you to select one of them. Either double-click on a name to select it from the list or click **New** to create a new card.
5. Write a brief description in the **Memo** field, if desired.
6. In the **Acct#** column, specify which account this expense should go to.
7. Check the **Amount** is correct. Usually, this amount includes GST, assuming you've marked the **Tax Inclusive** checkbox on the top-right.
8. Fill in the **Job** column if you want to track expenses by particular projects or cost centres. Otherwise, leave this column blank.
9. If you want to include additional information about this transaction, do so in the additional **Memo** column that appears next to the **Job** column.
10. Fill in your **Tax** code, double-check the tax total (this calculates automatically), then click **Record**.

# Dealing with expenses

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## Recording a supplier invoice

People working in the tourist industry tend to use a **Service** layout when recording purchases. Most purchases, such as advertising, electricity or telephone accounts, are likely to be Service purchases. However, if you are purchasing goods for resale and you plan to track quantities and costs, an **Item** layout is the way to go.

Here's how to record a purchase:

1. Go to the **Purchases** command centre and click **Enter Purchases**.
2. Click the **Layout** button and select **Service** as your layout.
3. Fill in the supplier name and if required, enter the purchase order number.
4. Check the date and enter the supplier's invoice number in the **Supplier Inv#** field.
5. Choose your allocation account in the **Acct#** field. Don't worry about detailed descriptions, as they're usually not necessary. A general description such as 'materials' does just fine.
6. Make sure the GST total matches with your supplier invoice and then click **Record**.

## Paying suppliers electronically

MYOB M-Powered® payments enable you to make electronic payments to your suppliers directly from your MYOB software. Once you subscribe to this service, you can use your MYOB software to record payments in your company file and then transmit these payments electronically using a secure link. The M-Powered Services Centre monitors the progress of all payments and, at your request, emails or faxes remittance advices direct to your suppliers.

If you pay more than five suppliers per week, M-Powered payments are well worth the fees. If you were to put a value on your own time (or on your bookkeeper's time) and calculate how long it takes you to pay a supplier (including writing a cheque, printing a remittance advice, writing their address on an envelope, entering the payment into your MYOB company file, and so on) as well as the costs (the envelope, the stamp, the petrol to the post office, etc.), then chances are that paying a supplier is much more expensive than you think.

M-Powered payments offer other benefits too, although these are somewhat less tangible. You can schedule payments to be made at future dates, ensuring that suppliers are paid on time, even when you're away from the business. Payments are more secure, as you pay directly from your account into your supplier's account (whereas cheques are more prone to fraud or getting lost in the mail). Finally, the M-Powered Services Centre keeps track of all online payments, including when payments are sent, when they're processed, if they fail due to insufficient funds, and so on.

# Dealing with expenses

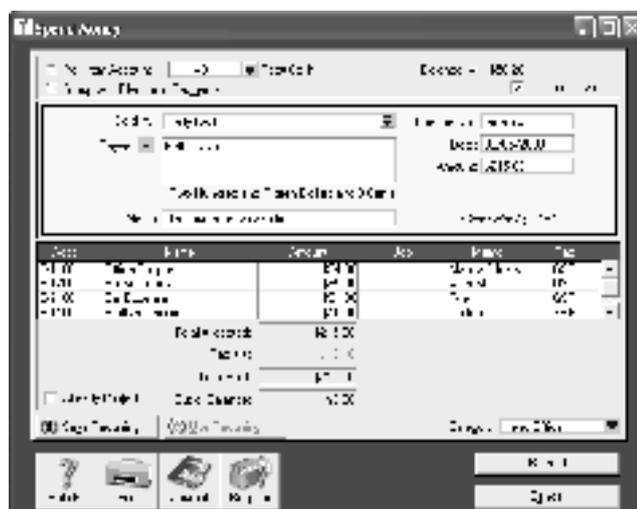
To subscribe to M-Powered payments, all you have to do is click the **M-Powered Services Centre** icon that appears on the bottom-right of every command centre. Note that M-Powered payments are only available for MYOB Accounting, MYOB Accounting Plus and MYOB Premier.

For more information about M-Powered payments, including how to subscribe and current pricing structures or to read the Product Disclosure Statement, see [www.myob.com.au/m-powered/](http://www.myob.com.au/m-powered/).

## Organising petty cash (if you have a petty cash tin)

The method described here works best if you have an office with a petty cash tin, and more than one person takes money out of the tin. However, if you don't have a petty cash tin but end up paying lots of little cash expenses directly from your own pocket, see the method listed in [Organising petty cash \(if you have a wallet full of receipts\) on page 22](#).

1. Start off with a float, say \$200. Write a cash cheque for this float, and allocate this cheque to an asset account called 'Petty Cash'. If you don't have an account by this name already, create one now, and remember to make it a **Bank** type account.
2. Whenever staff take money out of the tin, get them to give you a receipt in exchange. Store these receipts in the tin.
3. Now, add up the receipts and work out which expense categories they belong to. Then go to the **Spend Money** window but this time *change the bank account* at the top to read Petty Cash. Complete the payment, allocating it across several allocation accounts and several amounts. Click **Record** when you're done.



### Recording petty cash receipts

4. When funds in the tin get low, write out a cash cheque to top the tin back up to its original float value. For example, if you have a \$200 float but there's only \$4.50 left in the tin, write out a cash cheque for \$195.50. Allocate this cheque to Petty Cash.

# Dealing with expenses

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## Organising petty cash (if you have a wallet full of receipts)

If you don't have a petty cash tin, but end up paying lots of cash expenses directly from your own pocket, you'll find the following method works best.

1. Pile these receipts into their various categories and then, with a calculator, add up the value of each pile of receipts. You might end up with \$40 worth of receipts for stationery, \$50 for postage, \$15 for travel and so on.
2. Next, go to the **Spend Money** window and as your bank account, select Petty Cash in the top left corner.
3. As the **Amount**, enter the total value of all these receipts added together.
4. Split the transaction across the appropriate expense accounts, writing individual memos on each line, if desired.

# Case study - Lakeside Caravan Park

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**Business name:** Lakeside Caravan Park

**Business overview:** Lakeside Caravan Park is a family-run caravan park, offering self-contained cabins, caravans and camping facilities.

When Lakeside purchased MYOB Accounting Plus in the year 2000 (when GST came in), they decided to go the whole hog and use MYOB software to track every transaction, including sales and receipts.

When a guest places an advance reservation, Lakeside creates a sales order, using the **Promised Date** field as the booking date (however, they also maintain a hand-written “week per view” reservation book). If a guest sends a deposit in advance, this deposit is applied to the order and thus MYOB software keeps track of all outstanding deposits held.

During the guest’s stay, the receptionist adds any new charges as appropriate, such as linen hire, canoe hire or telephone calls. When it’s time to check out, the receptionist simply calls up the sales order, finalises the sale, processes the payment and prints a receipt.

Using the jobs feature, Lakeside has also divided their income into three cost centres: cabins, caravans and camping. By tracking both the income and expenses for each of these cost centres, Lakeside has been able to analyse the profitability of each “arm” of their business separately (as well as analyse overall profitability). They discovered, to their surprise, how unprofitable the cabins were due to the large maintenance and cleaning costs, and have since adjusted rates accordingly.

# Analysing financials in more detail

As soon as you start recording transactions in your MYOB software, you'll be able to see how much money has come through the door, what your total expenses have been and how much profit you have at the end of the day. Useful as this information may be, chances are that if you're looking to grow your business and become more profitable, you'll need to analyse your financials in more detail than this. The next few sections explain how.

## Setting up your income accounts

One of the simplest ways you can start to analyse your financial reports is to incorporate sufficient detail in your accounts list. Go to the **Accounts List**, click the **Income** tab, and read what's there. If you have three or fewer types of income categories, have a think about how you might describe your different income types in more detail. (However, around about eight income accounts is usually the maximum, as any more detail than this and you won't be able to see the wood for the trees.)

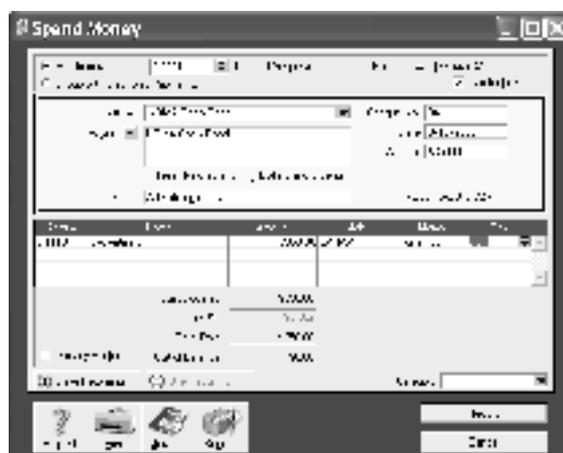
Maybe you run a guest house that earns money from accommodation and dining; maybe you run an adventure company that earns money from tourists, corporate clients and schools; maybe you own three different holiday cottages. Whatever your business, try to create a separate income account for each different income stream (you might also choose to set up separate cost centres - read [Analysing profitability of different divisions or locations on page 25](#) to find out more).

By creating individual income accounts for each source of income, you'll be able to see how much money you make from each activity at a glance, every time you print your Profit & Loss report.

## Analysing profitability of individual jobs and projects

Every transaction can be coded in several different ways. For example, in the **Spend Money** transaction below, the **Card** shows the name of the supplier; the **Allocation Account** shows the type of expense and the **Job** column shows the project code.

Coding transactions by job is entirely optional, but once complete, offers the ability to print a whole range of job reports, including Profit & Loss statements and detailed transaction listings. The idea about cost centres is that you can get separate reports for each cost centre, and *still* get a report for your business as a whole. For example, if a guest house created a cost centre for the dining room and one for accommodation, not only could they analyse how much income each cost centre generated, but they could analyse the profit as well.



Job codes let you analyse the profitability of every project

# Analysing financials in more detail

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Here are some examples of how businesses in the tourism industry can take advantage of cost centres:

- A caravan park has three cost centres: one for cabins, one for caravans, and one for the camping ground.
- A guest house might create two cost centres: one for accommodation and one for food. Or a couple who own four holiday homes might create a different cost centre for each house.
- An outdoor education company has two cost centres: one for corporate work, one for schools.
- A surfing company has two cost centres: one for gear hire and one for classes.

The idea about cost centres is that you can get separate reports for each cost centre, and *still* get a report for your business as a whole. To use the guest house example above, the guest house can see how much profit they made from accommodation, how much they made from dining, and lastly how much profit they made with everything combined.

By analysing how much money you're making (or losing!) on everything you do, you can fine-tune operations so you know how each cost centre is performing, whether each part of your business is paying its own way.

To create a new job, go to the **Lists** menu, choose **Jobs** and then click **New**. Enter a **Job Name**, **Job Number** and a short description, if required. This is usually enough information to get started with (additional fields such as **Start Date**, **Finish Date** and **Manager** aren't essential). Click **OK** to return to the **Jobs List**.

## Analysing profitability of different divisions or locations

Categories (available in MYOB Accounting, MYOB Accounting Plus, MYOB Premier, MYOB Premier Enterprise and MYOB AccountEdge only) offer an additional level of analysis and are ideal for tracking the performance of different locations or divisions.

If you're unsure of whether to use categories or jobs for something, bear in mind that you can split a single transaction across several jobs, but you can't select more than one category for a single transaction.

To turn on category tracking, go to the **Setup** menu, choose **Preferences**, and then click the **System** tab. Mark the **Turn on Category Tracking** checkbox. Next, go to the **Lists** menu, choose **Categories** and then click **New**. Enter a **Category ID**, **Category Name** and a short **Description**, if required.

If you want to be forced to enter a category for every transaction, select **Categories are Required**, rather than **Categories are Not Required** when switching on category tracking in your system preferences.

# Analysing financials in more detail

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## Tracking assets and depreciation

Many accommodation providers end up owning a diverse range of assets (furnishings, TVs, caravans, hot water heaters, cooking equipment, etc) and for insurance and depreciation purposes, will need to maintain an asset register. MYOB AssetManager Pro provides the perfect solution.

MYOB AssetManager Pro is designed in a way that looks and feels similar to other MYOB software, with similar account numbering and structures. You can keep an organised record of your assets, as well as calculate monthly and annual depreciation figures. AssetManager Pro can track assets by location, cost centre or any other way you choose, and keep a detailed log of service calls for equipment.

To find out more about MYOB AssetManager Pro, visit [www.myob.com.au/products/assetmanager\\_pro/](http://www.myob.com.au/products/assetmanager_pro/).

# Controlling your payroll costs

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One of the most significant expenses for most businesses in the tourism industry is wages. This being the case, it makes sense if you can not only make your weekly payroll process as efficient as possible, but, from a management perspective, generate payroll management reports summarising total spending for each employee and pay category.

## Using MYOB software to record wages

You'll find payroll features in MYOB Accounting Plus, MYOB Premier and MYOB AccountEdge, but not in MYOB BusinessBasics, MYOB FirstEdge or MYOB Accounting. MYOB software automatically calculates weekly wages, PAYG tax, superannuation and deductions and prints weekly payment advices and annual payment summaries.

Time savings begin to accrue when your business has three or more employees, especially if you employ casuals or pay overtime.

## Managing superannuation

Superannuation can be a real headache for employers, especially in the tourism industry where employees come and go with such frequency, and where you usually have to send superannuation payments to more than one fund.

The solution is MYOB M-Powered® superannuation, a new electronic payment method that is available in MYOB Accounting Plus, MYOB Premier and MYOB Premier Enterprise. The idea behind M-Powered superannuation is that you can go into your MYOB software, see how much super you owe, click a few buttons to confirm these amounts and within a couple of minutes, complete the process that electronically transfers funds from your bank account to the superannuation funds, complete with electronic remittance advices.

The cost of this service is \$3 per employee per quarter (it's the same cost whether you pay monthly or quarterly). If you calculate how long it takes you or your bookkeeper to report for and pay superannuation every month or quarter and compare this against the annual fees of M-Powered superannuation, chances are that this small fee works out highly cost-effective.

To subscribe to M-Powered superannuation, simply click the **M-Powered Services Centre** icon found on the bottom right of every command centre. Follow the prompts, send off the forms, wait a few days and you'll be up and running.

## Dealing with casual holiday loadings

Most of the hospitality awards require that you add one-twelfth of the hourly rate as a loading to casual wages as a pro rata payment in lieu of holiday pay. Here's what to do:

1. Enter the casual hourly rate as the **Hourly** rate for each employee.
2. Create a new wages payroll category called **Holiday Loading**. Select **Hourly** for **Type of Wages**, and enter 0.0833 in the **Regular Rate Multiplied by** field (1 divided by 12 equals 0.0833).
3. Click **Employee** and select all casual employees as being eligible for this category.

# Controlling your payroll costs

Now, to get this loading to show up on every employee's pay:

1. Complete the casual's pay in the same way as you would normally complete an employee pay. Once all details are complete, total the number of hours worked.
2. Pay this number of hours in holiday loading, showing this as a separate line in the employee's pay.



## Entering casual holiday loadings on paycheques

In the screenshot, you can see that the casual has worked 10 hours ordinary time, five hours at time-and-a-half, and seven hours at double-time: a total of 22 hours. Note that the second line of the employee pay, which is holiday loading, is 22 hours at the loading rate. Holiday loading is not affected by whether the hour worked was at ordinary or overtime rates.

## Reporting on payroll expenses

One of the first ways to analyse payroll totals is to separate wages into lots of categories, rather than reporting it as one lump sum.

Start off in the **Accounts List** window and create separate wage expense accounts for each major wages category in your business. For example, a guesthouse might have 'Admin Wages', 'Cleaning Wages', 'Dining Staff Wages', and 'Receptionist Wages'. Remember that you can create **Header Accounts** and **Detail Accounts** in your **Accounts List**. Wages can be a **Header Account**, and the different types of wages can be **Detail Accounts** underneath.

Next, review the **Wages Expense Account** in the **Wages** section of each employee's card. Change these accounts so they reflect the detailed categories you just created in the **Accounts List**. For example, you might change the **Wages Expense Account** for a cleaner from 'Wages Expense' to 'Wages Cleaning'.

Having completed this setup, you'll find that Profit & Loss reports, Budget reports and Job Profit & Loss reports will all include detailed reporting on wage expenses.

# Controlling your payroll costs

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## Analysing payroll percentages

One big advantage of setting up wages accounts in detail ([see Reporting on payroll expenses](#)) on page 28 is that you can analyse each type of wage expense as a *percentage* of income. Percentages can be more meaningful than dollar figures, for it is easy to know in your head that your income rose last year and so did your wages bill, but it is not so easy to know in your head whether the wages rose in proportion to your income!

The most useful analysis reports are the *Profit & Loss Percent Sales Analysis* report and the *Profit & Loss Year to Date* report. As well as this, you can use the *Profit & Loss Last Year* to see the *dollar* differences between this year and last year, or you can use the *Profit & Loss Budget Analysis* report to monitor whether your total wages costs are falling within budgets each month.

Discuss these percentages with others in your industry, either at local tourism association meetings or through your industry association. This comparison will demonstrate how your business performs when compared to others, and you can monitor this percentage on a monthly and yearly basis. If wages are taking an ever increasing percentage of your income, or if wage costs are much higher than they ought to be for your industry, use this information to evaluate where inefficiencies might be occurring.

# Case study - Nemo's Sea-kayak Adventures

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**Business Name:** Nemo's Sea-kayak Adventures

**Business profile:** Nemo's is a small sea-kayak company, taking small private groups and school groups on guided sea-kayaking trips.

Nemo's uses MYOB Accounting to manage all aspects of their business. They record all income and expenses, generating invoices and receipts for customers, purchase orders for suppliers and Business Activity Statements at the end of each quarter.

One of the interesting things about the way Nemo's uses MYOB software is how they've taken advantage of the card file as their client database. Every customer is set up as a new card, and categorised using the custom list feature. Customers are grouped according to category (School; Tourist; Corporate); according to location (Local, Sydney, Country NSW, Interstate, Overseas) and according to level (Beginner, Intermediate and Advanced).

Nemo's runs promotions in off-season times, offering everything from special camps for schools to overnight trips for advanced sports kayakers. Some special offers are mailed direct to customers; other offers are emailed from Microsoft Outlook (Nemo's synchronises their MYOB contacts with Outlook to avoid entering information twice). These promotions are based on the demographic information in the card file, and tailored to each category, location and level. Customer response has been fantastic and for the first time since they started their business, Nemo's have been able to generate enough income in off-season times to keep their heads above water.

# Managing GST and taxation

MYOB software makes accounting for GST about as easy as something so complex could be. So long as you record all your transactions and allocate the right tax code to each one, there's not a great deal that can go wrong. The main thing to remember is to allocate the right tax code when recording transactions. This done, everything else should fall into place.

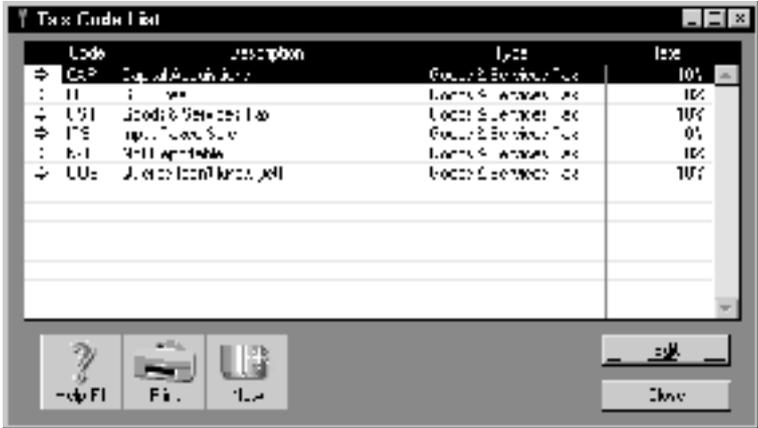
## Recording GST on income and expenses

Whenever you record a transaction, you can choose whether to enter the amount as tax-inclusive or tax-exclusive by toggling the **Tax Inclusive** checkbox in the top right of every window. (When recording payments or receipts in MYOB BusinessBasics and MYOB FirstEdge, you will need to click the **Split** button in the Bank Register in order to view this option.)

Usually, you'll find it easiest to mark the **Tax Inclusive** checkbox and enter all amounts including tax. You'll find that the GST calculates automatically and you don't have to go looking up every receipt to double-check the tax total.

Most businesses in the tourism industry find that they only need six tax codes: CAP; FRE; GST; ITS; N-T and QUE.

To review your codes, go to the **Lists** menu and choose **Tax Codes**. Comparing your list with the list shown below, delete any codes you don't need (they'll only serve to cause confusion) and add any codes that are missing. For all tax codes, the **Linked Account for Tax Collected** should be **GST Collected from Sales** and the **Linked Account for Tax Paid** should be **GST Paid on Purchases**. Once you're finished, your tax code list should look similar to the one below:



Code	Description	Type	Rate
CAP	Capital Gains Tax	Goods & Services Tax	10%
IT	Income Tax	Income & Wages Tax	10%
UST	Goods & Services Tax	Goods & Services Tax	10%
ITS	Input Tax Credit	Goods & Services Tax	0%
N-T	Net Taxable	Income & Wages Tax	10%
QUE	Queensland Stamp Duty	Goods & Services Tax	10%

Your Tax Code List should look similar to this one

# Managing GST and taxation

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What do the different codes mean? Here's an explanation:

## **CAP (GST on capital acquisitions)**

If you're part of the Simplified Tax System (which is the case for many smaller businesses), then you need to report all capital acquisitions (new equipment, furnishings or vehicles) that cost more than \$1,000 separately on your Business Activity Statement. To do this, you need a separate tax code called CAP.

If you're not part of the Simplified Tax System, then you may need to report all capital acquisitions (new equipment, furnishings or vehicles) separately on your Business Activity Statement. To do this, you need a separate tax code called CAP.

If you're not sure whether or not you're part of the Simplified Tax System or how to deal with an asset purchase, ask your accountant.

## **FRE (GST-free goods and services)**

Even if you don't sell any GST-free goods or services, you're bound to end up purchasing GST-free supplies such as bank charges, donations or government charges. Coffee, tea, fresh food and meat are also GST-free.

## **GST (Goods and Services Tax)**

GST is the tax code that you'll use for most sales and purchases.

## **ITS (Input Taxed Sale)**

Use this code for interest income and rental income from residential property investments.

## **N-T (Not Reportable)**

N-T stands for not reportable and is the code you use for everything that falls outside the GST net, such as wages; superannuation; loan repayments; bank transfers and personal spending.

## **QUE (Query)**

Use the query code whenever you're not sure what code to use. That way, when you get to the end of the quarter, you can print a report for all transactions coded QUE and ask your accountant or MYOB Certified Consultant to give you a hand choosing the correct codings.

# Managing GST and taxation

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## Deciding what codes to use when

One of the tricky things when first recording income and expenses is to figure out what tax code to use and when. Here are tips to help you out, written especially with the tourism industry in mind:

### Income

- If you're registered for GST, then select GST as the tax code on all your invoices.
- If you're a holiday cottage business and exempt from GST under the special rulings, see [Recording transactions if you're not registered for GST on page 34](#).
- Interest income should have ITS as the tax code, as should any income from residential real estate investments.
- In some special situations, accommodation provided for certain school groups is exempt from GST. If this applies to you, select FRE as your tax code on such sales.
- Personal income which isn't really income (for example, a family loan, a gift or a tax refund should have N-T as the tax code).

### Expenses

#### Items with GST as the tax code

- Most expenses, including things such as advertising, electricity, postage and telephone.
- Merchant fees on credit cards.
- Commercial rent.
- Travel within Australia.

#### Items with FRE as the tax code

- Donations, most bank charges and interest expenses. (However, watch out, as merchant fees should have GST as the tax code.)
- Government charges, including licence renewals, motor vehicle registration, council rates, water rates, land tax and stamp duty.
- Milk, tea, coffee and some first aid supplies.
- Fresh food, unprocessed food, meat and fish.
- Residential rent expenses.
- Overseas travel.
- Subcontractors who have an ABN but aren't registered for GST.

# Managing GST and taxation

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Items with CAP as the tax code (CAP stands for 'GST on capital acquisitions')

- Assuming you're registered for the Simplified Tax System (ask your accountant if you're not sure), select CAP as the tax code for all new tools over \$1,000. If you're not registered for the Simplified Tax System, most capital acquisitions should have CAP as the tax code.

Items you should check with your accountant or supplier

- The tax codes for hire purchase and lease payments depend on what you're paying off, when you bought it and how your accountant intends to treat it. Ask your accountant.
- Insurance is tricky because almost every insurance policy is a mixture of taxable and tax-free (stamp duty doesn't have GST on it). Double-check the exact amount of GST on every insurance payment.

Items with N-T as the tax code

- 100% private-use expenses.
- Superannuation expense.
- Wages.

## Recording transactions if you're not registered for GST

If you have an ABN, but you aren't registered for GST, simply enter N-T (standing for Not Reportable) as the tax code for every transaction. You may find it best in the long-term if you go to the **Accounts List** and, one by one, double-click each account and change the linked **Tax Code** to N-T. This way, N-T pops up as the default tax code for all transactions.

Your guests may also find it helpful if you customise your invoice to make it clear that you're not charging GST. Here's what to do:

1. Go to the **Print Invoices** window, select your **Invoice Type** at the top and select your customised invoice format from the **Selected Form for Invoices** drop-down list. Click **Customise**.
2. Highlight the field called 'Invoice Type' and press Delete. This removes the words 'Tax Invoice' from the standard MYOB template.
3. Now click the text tool (the capital T) from the toolbar and then click on the invoice somewhere near the **Comment** field. A box called **Text Field** should appear.
4. Double-click this box and enter the words 'Our business has an ABN but is not registered for GST. Therefore, all prices are GST-free' as your **Text**. Modify the **Font** and **Size** to suit the rest of the invoice, and if necessary, expand the size of the text field so that all the text fits in. Click **OK**.
5. Click **Save Form As** and enter 'Invoice' as the form **Description**. Then click **OK** to return to the **Print Invoices** window.