Australian Government

Australian Taxation Office

ATO ICA Reconciliation

LET'S START

ATO ICA Reconciliation

Australian Government
Australian Taxation Office

Step 1

Step 2

Step 3

Step 4

Step 5

📌Download ATO Report from ATO Portal for the FY (in this case FY 2023).

Note: While reconciling ATO – ICA and ATO – ITA we will consider the **Processed date** in the statement

ATO – ICA Statement:



3/1/24, 3:50 PM Print | Australian Taxation Office

Australian Government
Australian Taxation Office

Activity statement 001

Date generated	01 March 2024
Overdue	$0.00
Not yet due	$0.00
Balance	$0.00

Transactions

8 results found - from **01 July 2022** to **30 June 2023** sorted by **processed date** ordered **newest to oldest**

Processed date	Effective date	Description	Debit (DR)	Credit (CR)	Balance
18 May 2023	17 May 2023	Payment received		$1,634.00	$0.00
17 May 2023	26 May 2023	Original Activity Statement for the period ending 31 Mar 23	$1,634.00		$1,634.00 DR
17 May 2023	26 May 2023	- PAYG Withholding	$1,864.00		
17 May 2023	17 May 2023	- GST		$230.00	
28 Feb 2023	27 Feb 2023	Payment received		$1,563.00	$0.00

ATO ICA Reconciliation

Australian Government
Australian Taxation Office

Step 1

Step 2

Step 3

Step 4

Step 5

📌Reallocate the Lodged GST and PAYG WH and PAYG Installments to ATO – ICA account

ATO – ICA Statement:

Transactions

8 results found - from **01 July 2022** to **30 June 2023** sorted by **processed date** ordered **newest to oldest**

Processed date	Effective date	Description	Debit (DR)	Credit (CR)	Balance
18 May 2023	17 May 2023	Payment received		$1,634.00	$0.00
17 May 2023	26 May 2023	Original Activity Statement for the period ending 31 Mar 23	$1,634.00		$1,634.00 DR
17 May 2023	26 May 2023	- PAYG Withholding	$1,864.00		
17 May 2023	17 May 2023	- GST		$230.00	

Xero - Manual Journal:

Reallocate Mar 23 BAS liability to ATO - ICA Account	892 - GST Payable Control A...	BAS Excluded			230.00
Reallocate Mar 23 BAS liability to ATO - ICA Account	893 - PAYG Withholding Pay...	BAS Excluded		1,864.00	
Reallocate Mar 23 BAS liability to ATO - ICA Account	899 - ATO Integrated Client A...	BAS Excluded			1,634.00

ATO ICA Reconciliation

Australian Government
Australian Taxation Office

Step 1

Step 2

Step 3

Step 4

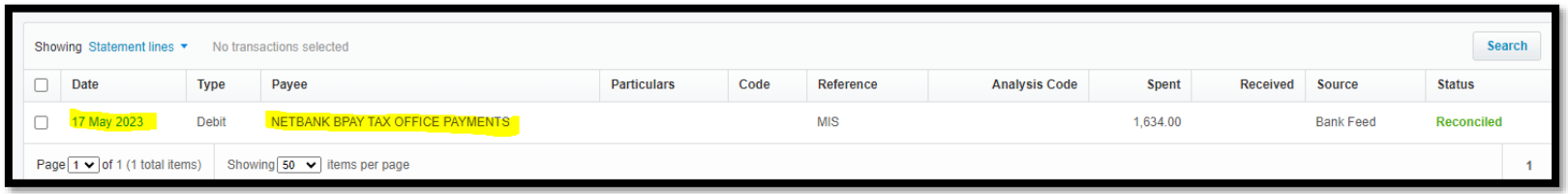
Step 5

📌Once the ATO ICA payment was made, code the bank payment/ receipt entry to ATO – ICA

ATO – ICA Statement:

Processed date	Effective date	Description	Debit (DR)	Credit (CR)	Balance
18 May 2023	17 May 2023	Payment received		$1,634.00	$0.00
17 May 2023	26 May 2023	Original Activity Statement for the period ending 31 Mar 23	$1,634.00		$1,634.00 DR
17 May 2023	26 May 2023	- PAYG Withholding	$1,864.00		
17 May 2023	17 May 2023	- GST		$230.00	
28 Feb 2023	27 Feb 2023	Payment received		$1,563.00	$0.00

Xero – Bank Transaction:



ATO ICA Reconciliation

Australian Government
Australian Taxation Office

Step 1

Step 2

Step 3

Step 4

Step 5

📌If there is any ATO Interest / Penalty in the ATO – ICA statement, it should be brought into the books.

ATO – ICA Statement:

3 Oct 2022	3 Oct 2022	General interest charge calculated from 01 Sep 22 to 02 Oct 22	$149.63		$19,041.22 DR
30 Sep 2022	29 Sep 2022	Payment received		$7,235.00	$18,891.59 DR
30 Sep 2022	21 Sep 2022	Original Activity Statement for the period ending 31 Aug 22 - PAYG Withholding	$7,235.00		$26,126.59 DR
8 Sep 2022	7 Sep 2022	Payment received		$2,000.00	$18,891.59 DR

Xero - Manual Journal:

Description	Account	Tax Rate	Job No	Debit AUD	Credit AUD
Bring in ATO interest expenses	437 - Interest Expense	BAS Excluded		149.63	
Bring in ATO interest expenses	821 - ATO- ICA	BAS Excluded			149.63

Step 1

Step 2

Step 3

Step 4

Step 5

ATO ICA Reconciliation

Australian Government
Australian Taxation Office

📌Finally, check whether the closing balance in ATO – ICA statement is matching with the balance in books (if there is any running balance in the ATO – ICA statement).

Balance Sheet – ATO Ledger:

- ATO - ICA	40,703.56	26,588.52	1,891.00

ATO – ICA Statement:

Transactions

45 results found - from 01 July 2022 to 30 June 2023 sorted by processed date ordered newest to oldest

Processed date	Effective date	Description	Debit (DR)	Credit (CR)	Balance
29 Jun 2023	28 Feb 2023	Client initiated amended Activity Statement for the period ending 31 Dec 22 - GST		$6,536.00	$40,703.56 DR
6 Jun 2023	6 Jun 2023	Payment received		$2,000.00	$47,239.56 DR

Note: If ATO Statement has a Dr Balance, that means the client is having a Cr Balance/Payable in the books.

If ATO statement has a Cr Balance, that means the client is having a Dr Balance/Receivables in the books.