



**Accounting Guide  
For  
Tattersall's  
Accredited Representatives**

Overview.....2  
Principles.....2  
Changes to the Tattersall's System.....2  
Method.....2  
Example.....3  
Journal Entries.....4  
Setting Up MYOB/Quickbooks.....5  
Notes about GST.....6  
Note about Bank Accounts.....6  
...

Prepared for Lottery Agents Association of Victoria Inc. by

**David Lacey**

**Positive Analysis Pty Ltd**  
In consultation with  
**Andrews Bastin & Co Pty Ltd**  
**(CPA Accountants & Tax Agents)**

23 Meadowgate Drive, Chirnside Park, Vic 3166  
Tel: (03) 9726 0088 Fax: (03) 9727 1063  
Email: [david.lacey@andrewsbastin.biz](mailto:david.lacey@andrewsbastin.biz)



## **Overview**

The accounting system presented in this document is designed to provide Tattersall's Accredited Representatives and their advisers with an approach which will accurately account for GST quarterly and ensure that annual taxation returns reconcile to the BAS statements and bank accounts.

The document does not intend to provide taxation advice. It will however enable you to set up General Ledger accounts which will allow you to classify the monies you receive from trading, and account for Tattersall's commissions and fees.

## **Principles**

It is important to understand that the money you receive from selling Tattersall's games is not your income but is better regarded as money you have collected on Tattersall's behalf. You receive your income from Tattersall's in the form of the commission payments left in your bank account after Tattersall's have taken their weekly sweep.

## **Changes to the Tattersall's System**

Tattersall's changed the way they collect money from you when the E6 terminals were introduced in November 2004.

The major changes were the adoption of new report formats and the end of the carry forward "balcharge".

Under the previous system, Tattersall's fees and other charges as well as activated instant tickets were deferred by one week. This no longer occurs, and payments are now due on the Monday immediately following the Saturday end-of-week.

## **Method**

This system relies on the use of a 'Sales Clearing' General Ledger account to assist in allocating funds to the correct accounts. You will know that your entries are correct if your balance in the Sales Clearing account is zero after all your entries.



## Example

The best way to illustrate the system is by a simplified example of a week's trading.

The following example is of a simple business selling only Saturday Quickpicks; \$1 and \$2 scratchies, phone cards and greeting cards. The business does not operate syndicates. It has activated both the \$1 and \$2 scratchies in the trading week.

During the week, the business has sold the following products and paid some prizes as below:

<b>Tattersall's product Sales</b>		<b>Cash Received</b>
Saturday Lotto	1000 x \$11.90 tickets	\$ 11,900.00
\$1 Scratchies	125	\$125.00
\$2 Scratchies	20	\$ 40.00
Tatts card sales	10 cards	77.00
<u>Less</u> Prizes paid		- \$ 2,500.00
<b>Non-Tatts Product Sales</b>		
Phone Cards		\$ 1,000.00
Greeting Cards		\$ 550.00
		<hr/>
		<b>\$ 11,192.00</b>
		<hr/>

The business banked \$ 11,192.00 on Monday morning.

The Tattersall's Weekly Settlement for the business is included as Appendix 1.

If you are using an accounting package such as MYOB or Quickbooks, it is important to apply the correct Tax Code. All entries to/from Sales Clearing should be made as tax-not applicable. Entries to other accounts should be coded GST except the entry accounting for Sales of GST free items.

You will see that once all entries have been posted, the Sales Clearing Account has a zero balance and the sales transferred equal the amount of non-Tatts sales in the week.

The following journal entries have been made to record the above:



## Journal Entries

1. Banking the weekly takings  
 DR Bank Account \$ 11,192.00  
 CR Sales Clearing \$ 11,192.00

2. Weekly Tatts Sweep  
 DR Sales Clearing \$ 8,952.06  
 CR Bank Account \$ 8,952.06

*This amount appears as Payment Due on the Statement*

3. Tattersall's Fees and Charges  
 DR Tattersall's Fees \$ 98.37  
 DR GST Paid \$ 9.84  
 CR Sales Clearing \$108.21

*These amounts are found in the summary section of the Statement*

4. Tattersall's Commissions  
 DR Sales Clearing \$ 1,283.15  
 CR Commissions Rec'd \$ 1,166.50  
 CR GST Collected \$ 116.65

*These amounts are found in the summary section of the Statement*

5. Account for Unsold Scratchies  
 DR Stock – Instant Lotteries \$ 485.00  
 CR Sales Clearing \$ 485.00

*These amounts come from your count/stocktake on Saturday*

Following these entries, your Sales Clearing Account will look as follows:

Sales Clearing Account			
2. Sweep	\$ 8,952.06	1. Banking	\$ 11,192.00
4. Commissions	\$ 1,283.15	3. Fees	\$ 108.21
		5. Scratchies	\$ 485.00
	<u>\$ 10,235.21</u>		<u>\$ 11,785.21</u>
		Balance	\$ 1,550.00

The balance remaining in the account represents your Non-Tatts Sales which should be posted in your "Sales" account with the appropriate GST treatment, in this case:

DR Sales Clearing \$ 1,550.00  
 CR Sales \$ 500.00  
 CR GST Collected \$ 50.00  
*Being your Greeting Card Sales*  
 CR Sales \$ 1,000.00

**Positive Analysis**



After all these entries have been made the account balances will be as follows:

	DEBIT	CREDIT
Bank Account	\$ 2,239.94	

Sales Clearing	\$ 0.00	
Tattersall's Fees	\$ 98.37	
Tattersall's Commissions		\$ 1,166.50
GST Paid	\$ 9.84	
GST Collected		\$ 166.65
Sales		\$ 1,500.00
Stock – Instant Lotteries	\$ 485.00	
	\$ 2,833.15	\$ 2,833.15

The money in your bank account is made up as follows:

Sales of Phone Cards	\$1,000.00
Sales of Greeting Cards	\$ 500.00
Tatts Commission Received	\$ 1,166.50
GST Liability	\$ 156.81
Less – Tatts Fees Paid	- \$ 98.37
Less – Unsold Scratchies	<u>- \$ 485.00</u>
	\$ 2,239.94

Note: The reason you need to deduct unsold scratchies is that Tatts have assumed that you have sold them all on activation and taken the full amount from you account, however you have not as yet received the cash for them.

### Setting Up MYOB/Quickbooks

Both MYOB and Quickbooks will handle the GST for you, provided you use the correct GST codes.

Sales Clearing should be set up as a Bank Account. Journal entries 1 & 2 will enter Sales Clearing from your daily entries to your trading accounts, these entries should be coded No-GST.

Tattersall's Commissions should be entered as a receipt to the Sales Clearing Account for the GST-inclusive amount and coded for GST.

Tattersall's Fees should be entered as a payment from the Sales Clearing Account for the GST-inclusive amount and coded for GST.

The clearing of sales from Sales Clearing should be entered as a receipt to the Sales Clearing Account for the GST-inclusive amount and coded for GST or GST-free as applicable.



## Notes about GST

The money you receive from your customer for selling Tattersall's games is not income and has no GST component; it is therefore neither GST-free nor GST-inclusive.

The only GST application to Tattersall's Products are the amounts reported on your Weekly Settlement with the exception of Wallet Sales, which should be treated as Purchases and are not a commissionable item.

Your BAS Statement G1 entry for supplies mad is equal to your Shop Sales plus Tattersall's Commissions.

## Note about Bank Accounts

This document has assumed you use only one bank account for all cash received. We are aware that Tattersall's require you to operate a separate account for their product. The entries to the Bank Account described above should be made to the bank account actually received the deposit or from which the seep is drawn. This does not alter the outcomes and our reference to Bank Account thus should be regarded as representing the total of all bank accounts used.

## Specialist Accountants for Tattersall's Outlets

This guide has been prepared by David Lacey in conjunction with Andrews Bastin & Co Accountants who provide specialised accounting and financial advice to the Lottery and Newsagency industries.

They offer comprehensive accounting packages tailored to provide the information required to efficiently operate and develop your business.

If you wish to discuss your accounting or financial needs contact David Lacey directly or via the LAAV.

ON-LINE	12:45	29.11.04	Balance b/fwd	-
WEEKLY SETTLEMENT			Game Sales	11,450.00
Balance Period:		200522	Commission	- 1,100.00
Outlet Number:	01-01199		Commission GST	- 110.00
Game Sales		Amount	Commission -Instants	- 54.50
-----		-----	Commission -Instants GST	- 5.45
Tattslotto		10,800.00	Prize Payments	- 2,500.00
Oz Lotto			Product Turnover	77.00
Wed. Tattslotto			Product Commission	- 12.00
Powerball			Product Commission GST	- 1.20
Super 66			Online Costs	98.37
Tatts 2			Online Costs GST	9.84
Tatts Keno			=====	=====
\$1 Instants		250.00	PAYMENT DUE	8,952.06
\$2 Instants		400.00	=====	=====
\$3 Instants			Bank transfer	8,952.06
\$4 Instants			Balance c/fwd	-
\$5 Instants			-----	-----
\$10 Instants				
-----		-----		
Total		11,450.00		
Commission				
-----		-----		
Tattslotto		1,100.00		
Oz Lotto				
Wed. Tattslotto				
Powerball				
Super 66				
Tatts 2				
Tatts Keno				

Total	1,100.00
Commission - Instants	
\$1 Instants	22.50
\$2 Instants	32.00
\$3 Instants	
\$4 Instants	
\$5 Instants	
\$10 Instants	
Total	54.50
Prize Payments	
Tattslotto	2,400.00
Oz Lotto	
Wed. Tattslotto	
Powerball	
Super 66	
Tatts 2	
Tatts Keno	
\$1 Instants	50.00
\$2 Instants	50.00
\$3 Instants	
\$4 Instants	
\$5 Instants	
\$10 Instants	
Total	2,500.00
Product Turnover	
Wallets	
Tatts Card - New 1 Year	77.00
Tatts Card - Renew 1 Year	
Total	77.00
Product Commission	
Tatts Card - New 1 Year	12.00
Tatts Card - Renew 1 Year	
Total	12.00
Online Costs	
Fixed Terminal Fee \$30	30.00
Percentage of Sales: 0.6	64.80
Inst, Tick, Term.Fee \$1	1.37
Inst. Tick. Term. Fee Other	2.21
Total	98.37