

If you use a payroll system that is NOT linked to your accounting system

Set up three new chart of account codes in your accounting system

1. Name: MSD COVID-19 Wage Subsidy
Type: Current Liability
GST Type: No GST

2. Name: COVID-19 Wage Subsidy Received
Type: Revenue
GST Type: No GST

3. Name: COVID-19 Wage Subsidy Paid
Type: Expense
GST Type: No GST

Coding of Wage Subsidy Received from the Ministry of Social Development (MSD)

In your accounting system code the funds that you have received from the government to 'MSD COVID-19 Wage Subsidy ' (new code as above)

Coding of Wage Subsidy Paid to employees

1. **When you reconcile the wages payment & PAYE payment in your accounting system these will both be coded to wages expense code.**

2. **After you have processed your payroll you will need to enter two journals in your accounting system for the total amount of the pay type 'Special Leave COVID-19 Subsidy'**

1. **Description:** Wages subsidy paid to employees for the period ending [date of payroll period]
Date: [Date payroll is paid]

	Code	Amount
<i>Debit</i>	MSD COVID-19 Wage Subsidy	\$xx
<i>Credit</i>	COVID-19 Wage Subsidy Received	\$xx

2. **Description:** Transfer of wage subsidy paid to employees for the period ending [date of payroll period]

Date: [Date payroll is paid]

	Code	Amount
<i>Debit</i>	COVID-19 Wage Subsidy Paid	\$xx
<i>Credit</i>	Wages Expense	\$xx