



EOFY Payroll Checklist

Finalise your EOFY Payroll

Whether you need to finalise Single Touch Payroll data or produce payment summaries, this checklist will help you navigate the end of year payroll process from start to finish.

Once you've completed the steps below, your year end for payroll is complete and you can jump straight into the new financial year; no need to close off or roll over your payroll, just continue as normal.

For any additional help you need, check out [Xero Central](#), or contact the ATO or your professional association.

Step One: Review

Reduce filing errors by reviewing key information before you report any information to the ATO.

Activity	Complete?
Review Organisation details	
Check the Legal/Trading name, ABN and postal address inc. postcode are correct.	
Review Payroll settings	
Check earning and deduction pay items have been set up with the correct category, e.g. an allowance is set up with an earnings category of Allowance. For detailed information on pay items, click here .	
Under the Earnings tab, ensure all allowances have an ATO type assigned for correct reporting with STP. Also review the Reportable as W1 column to ensure earnings rates are reported correctly on activity statements.	
Under the Deductions tab, review the Excluded from W1 column to ensure deduction pay items are reported correctly on activity statements.	
Review Employees	
Run the Employee Contact Details report to check each employee entry for accuracy, focusing on date of birth and postcode.	



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Step Two: Reconcile

Now you've reviewed all the key details, reconcile payroll transactions to your accounts.

Payroll reports are based on the payment date of pay runs and not the pay period end date. Adjust the date range of reports to see the information you need.

Activity	Complete?
Reconcile	
Check all pay runs for the financial year have been posted and have a payment date within the financial year.	
Check all wages have been paid through the business bank account.	
Check all payroll related transactions such as wages, PAYG and superannuation have been reconciled against the bank statement. For detailed instructions on reconciling your payroll data with the general ledger, click here .	
Add opening balances if required.	
Run the Payroll Activity Summary report . Review the pay item totals and the Activity Statement column.	
Run the General Ledger report and check that all wage transactions like superannuation have been reconciled correctly.	
Compare the totals on the Payroll Activity Summary report with the General Ledger report to ensure amounts match.	



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Step Three: Process

Finalise Single Touch Payroll data

Businesses using Single Touch Payroll or STP will need to finalise employee wages, PAYG, and superannuation for the financial year by completing a STP finalisation.

To begin, navigate to the Finalisation screen from the Single Touch Payroll menu.

Activity	Complete?
Finalise	
Click the Finalisation tab.	
Check the Tax Year is set to correct financial year, i.e. 2020/21	
Toggle the Show terminated employees for RFBA switch if they are to be included in this finalisation.	
Ensure all employees that require STP Finalisation are appearing in the list.	
Review each employee's year to date summary for accuracy, and enter any required reportable fringe benefits amounts (RFBA).	
Select employees to finalise and if required, export the data to CSV by clicking Export to CSV .	
Click Finalise and submit to ATO .	
Read the authorisation to file declaration. Select the checkbox to accept and authorise the file, then click Submit to ATO .	
Check the Status column in the Finalisation screen to confirm finalised employees.	



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Prepare and finalise payment summaries

If you aren't filing pay runs with Single Touch Payroll, you'll need to prepare payment summaries for employees for this financial year. You'll also need to submit the Payment Summary Annual Report (PSAR) to the ATO or, if you have more than 99 employees, download the EMPDUPE file for manual lodgement.

Activity	Complete?
Prepare	
Confirm organisation details like Legal/Trading Name, ABN and Postal address in the payment summary screen are correct.	
Select the FBT Exemption checkbox if you have an FBT exemption.	
Enter a signatory and phone number that will be included in the filing.	
Check the Financial Year Ending drop down is set to the correct financial year i.e June 2021	
Ensure all employees that require a payment summary are appearing in the list.	
Review the payment summary amounts for each employee including terminated employees with an Employment Termination Payment (ETP) summary.	
Enter Reportable Fringe Benefit Amounts (RFBA) and Lump Sum payments if required.	
Select all employees and click Publish . Employees with access to My Payroll can now view their payment summary.	
<i>Optional:</i> Send payment summaries to employees either by email or a PDF. Click Send to Employee to choose an option.	
Finalise	
Select all employees and Click File Now .	
Under Agent, select Yes if you need to include agent details in the filing. Select No if agent details aren't required.	
Select the checkbox to accept and authorise the file, then click File Now to send the Payment Summary Annual Report (PSAR) to the ATO.	
Review the ATO submission history to confirm successful lodgement of the PSAR report.	
Alternatively, if you have more than 99 employees, download an EMPDUPE file and lodge manually. To do this, click the drop down arrow next to File Now and select Create EMPDUPE .	

For detailed instructions on preparing payment summaries, [click here](#).



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Step Four: Adjustments

If adjustments are required, here are two recommended options;

- Process an unscheduled pay run.
- Revert the last posted pay run per pay calendar to draft, edit, and post again.

If you are finalising via STP, simply make the adjustment and file that pay run to the ATO. Then repeat the finalisation process again for the affected employees only.

For detailed instructions on fixing a STP filing error, [click here](#).

If you are filing payment summaries, first unpublish the employee's payment summary to include them in the adjustment. If needed, mark the payment summary as amended and submit the PSAR report to the ATO.

For detailed instructions on correcting payment summary errors, [click here](#).

Step Five: Superannuation

To claim a deduction on superannuation accruals submitted via Auto Super in Xero for the 2020/2021 financial year, super batches must be approved by the authoriser no later than 2.00pm AEST, 22nd June 2021. This allows enough time for the payments to be debited and forwarded to the super funds by the 30 June deadline.

For detailed instructions on processing superannuation, [click here](#).