



# Institute of Certified Bookkeepers

## Making you Count

**P:** 1300 85 61 81

**F:** 1300 85 73 93

**E:** [admin@icb.org.au](mailto:admin@icb.org.au)

**W:** [www.icb.org.au](http://www.icb.org.au)

## Bookkeepers helping Bookkeepers help Business

July 2015

[Click here for the online version](#)

News, views and things you need to know

Welcome to the ICB's July 2015 Newsletter.

### Contents

#### Important News

- 3 Legislation Updates and Thresholds 2015-2016
- 4 TPAR: ATO says it's a Resounding Success
- 6 ATO Reinvents Debt Collection
- 7 Your Voice as Bookkeepers
- 9 Simplified Business Tax Systems - What to do

#### The BAS Agent World

- 11 ATO - Lodgement Deferral - You Still Have to Pay on Time
- 11 New Client with Outstanding Lodgements
- 12 Prove the Identity of Your Clients
- 14 Payment Summary for Family Business

#### Continued Professional Education

- 15 This Month From the ICB CPE Page

#### ICB Network Meetings

- 16 Question for You to Discuss this Month??
- 17 June 2015 Question of the Month - ICB's Response
- 17 Upcoming Network Meetings

## Other Things Happening in the World

- 19 MYOB SuperStream Process

## This Month From the ICB

- 20 What's New this Month

## Products and Solutions

- 21 Business Newsletter - eBrief - July 2015

## From the ATO

- 21 ATO Tax Time 2015 - Things to Know
- 22 ATO Rethinking Small Business
- 22 ATO Behaviour Plans for 2015-16
- 23 ATO Webinars
- 23 Upcoming ATO Portal Maintenance

## ICB Membership Statistics

## ICB Supporters and Sponsors

---

In this month's [Members Newsletter](#) you will find the following additional information:

### Important News for You

- Business Information Sheet - SuperStream Compliance
- New ICB Facebook Group

### Best Practice Bookkeeping

- Last BAS of the Year
- Trial Balance Adjustments - How to Create the EOY Journal
- Letter Template - Dear Client, Your Superannuation is Late
- Increasing your Fees - Fee Increase Letter Template
- Payroll Tax Thresholds 2015
- Terminations for Employees Over 65 - The Tax is Different

### Continued Professional Education

- ICB Technical Webinars
- ICB Webinars - Important News

## This Month From the ICB

- Students Can Become Affiliate Members

## Products and Solutions

- Client Newsletter - Customisable Bookkeeping eBrief

## Legislation Updates and Thresholds 2015-2016

### Tax Rates



- The top marginal tax rate is 45% + 2% Medicare levy + 2% Temporary Budget Repair levy (this levy in place until 30 June 2017)
- Tax scales - possible changes to the tax free threshold and the second tier of tax were discussed - but it has been confirmed that there are NO changes to the tax free threshold and rate will remain the same as for this tax year.

Taxable income \$	Tax payable \$
\$0 – \$18,200	Nil
\$18,201 - \$37,000	Nil + 19% of excess over \$18,201
\$37,001 - \$80,000	\$3,344 + 33% of excess over \$37,001
\$80,001 - \$180,000	\$17,534 + 37% of excess over \$80,001
\$180,000+	\$54,534 + 47% of excess over \$180,001

- HELP Repayment Thresholds and Rates 2015-2016

Repayment Income	Repayment Rate
Below \$54,126	Nil
\$54,126 - \$60,292	4.0%
\$60,293 - \$66,456	4.5%
\$66,457 - \$69,949	5.0%
\$69,950 - \$75,190	5.5%
\$75,191 - \$81,432	6.0%
\$81,433 - \$85,718	6.5%
\$85,719 - \$94,331	7.0%
\$94,332 - \$100,519	7.5%
\$100,520 and above	8.0%

- Foreign resident tax rates

Weekly Earnings	Weekly Rate
\$0 - \$1,538	32.5%
\$1,539 - \$3,462	\$500 + 37% of excess over \$1,538
\$3,463+	\$1,212 + 47% of excess over \$3,462

### Other Threshold and Rate Changes

- Luxury car tax threshold increased to \$63,184
- FBT gross up rates: Type 1 (with GST) = 2.1463; Type 2 (without GST) = 1.9608
- Protected earnings amount for child support payments \$349.13 per week; \$698.26 per fortnight; \$1,518.09 per month.
- Reasonable overtime meal allowance is \$28.80
- High income threshold - no compensation claimable if earnings are above \$136,700
- Fuel tax credit rates - many rates have changed from 01/07/2015, see [ATO Fuel Rates](#) for detail
- Paid Parental Leave (DHS) amount: \$657. Note FairWork minimum wage is \$656.90.

### No Changes

- NO change to vehicle limit for 2016, it remains at \$57,466; maximum GST claimable \$5,224
- NO change to fuel efficient vehicle threshold, it remains at \$75,375
- NO change to state payroll tax thresholds

For the full guide to legislation updates for 2015-2016, see [here](#)

### References

- [Australian Government Budget 2015-16](#)
- [The Association for Payroll Specialists](#)
- [ATO - Key Superannuation Rates and Thresholds](#)

[RETURN TO TOP](#) ↑

## TPAR: ATO says it's a Resounding Success

### Background

This information is based on history and also the recently released report [TPAR – ATO Effectiveness Report](#).

TPAR was implemented into the Building and Construction Industry in 2012-13. The law had existed since 2000; however, it had not been applied until then.

Implemented with a fair bit of gnashing of teeth and an unrealistic lodgement deadline, compliance has taken its time. Fortunately now the deadline is more realistic, being the 28<sup>th</sup> August and software has facilitated easy preparation and lodgement.



# Does the Taxable Payment Annual Report imposed on the Building and Construction industry achieve anything useful?

## The ATO report that for the 2012-13 year:

- \$163 billion of contractor payments were reported in 1.58 million transactions.
- 102,000 TPAR have been lodged out of expected 165,000

TPAR caused an additional \$2.3 billion of tax and GST to be reported to the ATO.

- \$265 million through lodgement of additional tax returns.
- \$506 million additional GST now reported and paid.
- \$1,128 million additional PAYG Withholding now caught.
- \$357 million value of additional entrants to the PAYG Instalment system.

This additional tax cannot be solely attributed to the implementation of the reporting regime, however, the increased compliance activity and visibility of the ATO requirements has led to an increased level of compliance.

ATO report that 76% of businesses that were supposed to lodge TPAR have done so. (Anecdotally we (ICB) think that this number is too high, as you (our members) report to us that there are many more contractor payments made that might not be recorded at all).



## Additional Observations

- 76,000 contractors who have been reported to receive payments are yet to lodge a 2012-13 tax return.
- 12,000 contractors have an outstanding activity statement.
- 53,000 tax returns have reported less income than the TPAR showed they received.
- 84,000 contractors collected GST of \$426 million but they aren't registered for GST.

On the positive side:

- 51,000 taxpayers have lodged a tax return for the first time in 2012/13 following their inclusion in Taxable Payments Annual Reporting.
- 96.6% of transactions reported in TPAR were matched to a known taxpayer.

## Invalid or Missing ABN

53,000 transactions either missed or disclosed an incorrect ABN. (Who would have guessed that Coles or Caltex did so much contracting in the Construction Industry? A common "mistake" is that the ABN for large organisation has been quoted).

\$1.3 billion was reported to be paid to contractors that could not be matched based on the TPAR information.

## Does it work?

Legitimate businesses who do report, who do pay their income tax, their SGC, their PAYG W and the GST suffer when competing with those businesses who don't comply. TPAR seems to be levelling this playing field by helping detect those working outside the system.

**So in our view: Yes, it does work.**

## Impact for Bookkeepers

TPAR is a defined, structured system that applies to a defined industry. It is relatively easy to implement the reporting structure and to comply. It does come with a cost to the business.

## Bookkeepers should:

1. Equip themselves with the knowledge of how TPAR works: [TPAR - ICB Explanation](#)
2. Assess your knowledge: [ICB - TPAR Assessment](#)
3. Include this skill on your "Find a Bookkeeper" profile: [Log in to MyICB](#) to update your profile.

The implementation, verification and lodgement of TPAR are BAS Agent services and cannot be performed by non BAS Agent contract bookkeepers.

## ICB concerns

We remain concerned that various businesses (and sometimes bookkeepers) think that TPAR is optional or that if in doubt it is okay not to lodge any form. The lodgement of a "Nil Report" is not a default position for businesses in the Building and Construction Industry. If you have paid a contractor, (business to business), then you must consider whether you have a reporting obligation.

TPAR is also in the self-assessment system that applies to much of Australia's tax and superannuation systems. This means that the ATO will NOT necessarily inform each business that they have a reporting obligation. Each business must self-assess their obligations and comply!

Non lodgement has penalties attached.

Lodgement of a "Nil Report" when there is a reporting obligation is a false and misleading statement and would be subject to penalties and prosecution for the business and potentially the bookkeeper.

A BAS Agent is bound by the Tax Practitioners Board Code of Conduct. This means you must take reasonable care to ascertain a client's state of affairs, you must take reasonable care to ensure tax laws are applied correctly, and you must advise the business owner of their general rights and obligations in relation to the BAS services you provide for them.

## Related References

- [TPAR - ATO Effectiveness Report](#)
- [ATO - Taxable Payments Reporting](#)

[RETURN TO TOP](#) ↑

## ATO Reinvents Debt Collection

### ICB Question the ATO Debt Team!

ICB was very pleased to host a webinar with Deputy Commissioner Cheryl-Lea Field sorting out all the issues between the ATO and Bookkeepers in relation to ATO debt collection practices.

Things we established:

1. The ATO does not pay commission to external Debt Collectors. We as a community of Bookkeepers are constantly annoyed by the third party debt collection houses that ring us up to chase debts of our clients. The ATO have confirmed that the debt collectors are on a fixed contract with their remuneration NOT dependent on successful collection. The Debt Collectors are in effect just contract workers for the ATO and bound to all the same condition that ATO staff have to comply with.
2. The ATO are committed to a NEW policy of working to understand the circumstances of the business. Their policy is to have a natural conversation with you or the business to establish the reason for unpaid debt and to implement a plan that works. There is no longer a fixed script or a fixed answer to any question or situation. Cheryl-Lea strongly encouraged Bookkeepers to make contact early and have the conversation.
3. The ATO do want that conversation early, if not before the debt is due, when you see a problem coming. It is when we don't contact them that they perceive there is a problem.



4. Unfortunately (in our view) the ATO have statistics that tell them, that if a taxpayer commits to the first payment within 7 days then the chances are they will stick to any repayment plan. We expressed that this is a real sticking point and a barrier to us wanting to contact them. The 7 days is not always possible.
5. The Portal forms for establishing a debt repayment plan do exist and do work.

Based on the feedback prior to the webinar, during and a number of examples provided to ICB since, we have complemented the ATO on their "Reinvention" program and that it truly does seem the ATO are changing their culture to work with us and our businesses. A very different world seems to be in place rather than the previous attitude that seemed to be that the ATO considered everyone as "Crooks".

## ICB Presents to the ATO

We were also invited to take a bookkeepers view into the ATO. An audience of over 150 ATO people attended a presentation by ICB providing an explanation of the Bookkeepers world, especially in relation to interactions with the ATO and their debt team.

A PDF version of the slide deck of the presentation can be downloaded here - [Handout provided to the ATO](#)

[RETURN TO TOP](#) ↑

## Your Voice as Bookkeepers

Over recent months you have had a voice and influence upon many parts of our world. It is together as nearly 3,000 full ICB members (and 5,000 including students) that we are able to dedicate time and resources into finding out what is happening, providing viewpoints from the Bookkeeper's perspective and influencing the government implementation of things that affect our world.



We also have input and discussions with the dominant software providers in our space.

Ministers and Treasury seek input through the Board of Taxation

- In 2014 ICB were involved in the Special Working Group that contributed to their paper into Government about "Tax impediments for Small Business". Since the publication of that paper it has been good to see that a number of ideas that ICB contributed or supported have been either implemented or are being discussed.
- In 2015 we have been invited and attended to contribute to their discussions on the Small Business section of the Tax White Paper.
- Also in recent weeks we have contributed to their discussions on the Regulatory Performance Framework of the ATO. This is about how the ATO should be assessing whether they are meeting the deregulation agenda of government and it actually achieves something for us in business.

Minister for Small Business, the Hon Bruce Billson

- ICB was invited and contributed to the Minister's roundtable discussions on the Single Touch Payroll initiative bringing forward support for this ongoing journey for efficient payroll processes but emphasising that it is about business efficiency and not just about ATO compliance measures.

Single Touch Payroll (STP)

- Some are calling it as big as the GST implementation. I do not think that is the case nor should be the case. ICB continue to make considerable submissions into ATO thinking, Treasury thinking, software developers' thinking and now starting contacts with the Digital Transformation Office, as to a realistic approach to STP that does not have to make it harder for everyone.

Tax Practitioners Board

- As a recognised association under the TASA2009, we have a voice into the TPB through consultative forums and ongoing consultations. The TPB continue to engage with us in provision of time and information for our March Annual Conferences, (video interview in 2015), and presentation in conjunction with Open Colleges Student Days.

## Software Developers

We remain very pleased with our strong and growing connection with the software developers that directly influence and are involved in our Bookkeeping space. We discuss the effect that government initiatives and agendas are having on software and input into their thinking or support their view into government thinking.



- MYOB have been the major ongoing partner with ICB since our inception. This partnership continues while MYOB and ICB have similar aims and objectives in the effective development of Bookkeeping in Australia. We have met with MYOB on a number of occasions having input into the partner programs, their current products, their future products and features within their products.
- Reckon returned as a partner with ICB and have again engaged in initiatives with us to support and develop the bookkeeping community. Recent involvements include our support of state based Reckon Partner Conferences.
- Xero have actively re-engaged with ICB and it has been great to have an ability to discuss our shared visions for the Bookkeeping community. Xero partnership with us establishes an ongoing relationship between them as a software company and their dedication to supporting the bookkeeping community. Their recent appointment of Melanie Power as head of Bookkeeping inside Xero has already shown positive results and that appointment together with their re-engagement with ICB is a positive trend for the future.
- Intuit QBO has also engaged with ICB as a strategic partner. As Intuit continues to establish itself as a significant player in Australia, they have come to realise the significance of joining with Bookkeepers as partners rather than just a sales channel (and they aren't alone in that journey).
- GovReports. You know we like what they have been bringing to us as Bookkeepers and as the first to market with SBR solutions, GovReports gave Bookkeepers efficient lodgment processes. We continue to work with them to bring more effective solutions, ongoing development of their Client and Lodgement Manager (CLM) to become more effective for us; they continue to bring ideas and developments to improve business efficiency.
- Invitbox, Receipt Bank, Secured Signing, Workforce Guardian, The Association for Payroll Specialists, Insurance Made Easy, eCollect and Shoeboxed all engage as partners with ICB to bring business efficiency to Bookkeepers.

## Bookkeepers Getting Together with Bookkeepers

It seems our community of Bookkeepers, joining together through ICB, enjoy being able to get together (physically or virtually through Facebook or other forums) to share ideas, ask questions, give opinions and enjoy being able to know that we are not alone.

The ICB network meetings continue to be a source of interaction and sharing. While a network meeting may be based on the information flowing from the ICB hub (the newsletter, the resources, the information), each individual meeting takes on its own style and flavour that suits the facilitator and the group.

Whether you participate in the local network meeting or the webinar version, over 700 people are attending network meetings in each 2 month period. Subscribe to notices about [your local meetings here](#).

Social media discussions are also rampant, with ICB being a contributor to our own forums and occasionally to other discussions as well.

## Australian Taxation Office

ICB represent you and take our community's experiences, knowledge and reality into the consultative forums of the ATO.

- Australian Tax Practitioners Advisory Group (one of the 8 peak consultative forums) meets each 2 months to discuss the practical world of Tax Practitioners.
- BAS Agents Advisory Group meets 3 to 4 times a year to deal with matters affecting the lives of BAS Agents, especially our interactions with the Tax Office.

- Both these forums give us extremely good level of access into the ATO. Both in and out of session we raise the technical and the practical issues that affect ICB members.
- Future Tax Profession Working Groups have been established to do the advance thinking about the next 1 to 2 years and also the world in 2020 and beyond. ICB represent Bookkeepers into the ATO next generation thinking.
- Ad-hoc ongoing involvement with the ATO. We have been invited to present to the ATO teams and also co-hosted webinar with Deputy Commissioner Cheryl-Lea Field to discuss the ATO new approach to Debt collection activities by the ATO.

## Education for Bookkeepers

In the formal education sector we have a voice into the Industry Business Skills Council, National TAFE Accounting Network, and Victorian TAFE Accounting Network, following submissions over the last years into the makeup of the Certificate IV qualifications and the review of the Skills Councils framework. We now see a real need for us as a voice of Bookkeepers assisting the education space to produce educational outcomes that equip students with the necessary skills to embark on a bookkeeping career: answering the question “What should a Cert IV graduate know?”

ICB is Bookkeepers banding together to provide a professional creditable framework to the bookkeeping fraternity in Australia.

Your contribution through network meetings, conferences, workshops, webinars, the ICB Advisory Board, support calls and emails and financially through membership fees enables time, effort and resources to be invested to further develop the professionalism and the profile of Bookkeepers.

[RETURN TO TOP](#) ↑

## Simplified Business Tax Systems - What to do

### Improving the Business Experience Working Group!

ICB are involved in the ATO discussions to improve the tax compliance experience of Small Business.

- Does it make sense?
- Does it reduce red tape?
- Does it make it easier to conduct compliant business?

THE FOCUS: THINGS A BUSINESS HAS TO DO TO IN PREPARATION OF A TAX RETURN

### Potential Outcomes

- Redesign the tax return.
- Rethink how small business interacts with the tax office and tax compliance.
- Bring to the discussion our perspectives to influence the administration of the tax systems.
- Influencing things a business has to do in preparation of a tax return.
- Potentially influence the BAS and associated systems.

### ATO Reinvention Vision

The ATO has currently stated the following as objectives in the Small Business Sector:

- Better services across government: A Single and Secure Entry Point to government
- Make it easy: Business able to tell government information once that would be used for potentially multiple government purposes
- More time for business: Integrated Digital Solutions enabling easy fulfilment of tax and super obligations to free up time
- Getting what I need when I need it: Business accessing information and services anytime in a way that suits me



- That ATO understands my circumstances providing a tailored engagement in terms of communication, interactions and service offerings.

(Extracted from page 19 of the [ATO Reinvention Blueprint](#))

## The ATO Ticklist

- myGov – one entry point / one authentication into government
- Authorisation – easy for business to authorise employees or Agents
- Easy Access – to government and access to what government knows about me
- Technology – to enable efficient digital communication and engagement
- Security – best tools and systems to prevent fraud and protect identity and information
- MultiPurpose – disclosed efficient use of one set of information for multiple government purposes
- Considerate – ATO understand the business perspective and work with it
- Streamlined processes – Government leverages off natural business systems
- Contractors – to enable easily compliance with the tax system
- Tailored and Prefilled Digital Solutions
- Effective Communication – business knows what to do
- Decision support tools – facilitating better knowledge and compliance
- 24/7 Assistance
- Reminders – tailored to a business
- Cashflow management – tailored solutions to assist compliance
- Certainty – provided to business that they have complied (where applicable)
- Compliance – those operating outside the system are found and dealt with

## Questions for You?

- What are your biggest pain points in complying with tax?
- What takes the most time?
- What costs you the most money?
- What actions / activities do you do that really annoy you and you only do to comply with tax law?
- If you were able to redesign everything to do with tax administration (tax returns, BAS, dealing with ATO, record keeping, accounts) what would you like your obligations to be? (Don't answer nothing as we have a tax system and will need a tax system but what would be the easiest tax system that didn't hinder you in business?)
- What is your tax pain with employing people?
- What is your tax pain with GST? What would make it simpler?



[Let us know your questions here.](#)

[RETURN TO TOP](#) ↑

## ATO Lodgement Deferral - You Still Have to Pay on Time

### Issue

When a lodgment deferral for an activity statement is granted by the ATO, the payment is not automatically deferred. How does the BAS Agent know what to pay until they complete the BAS?

### Response

A deferral of lodgment extends the due date for lodgment without penalty. The Commissioner can defer the time for lodgment of any approved form pursuant to Section 388-55 of Schedule 1 to the Taxation Administration Act 1953 (TAA1953). The ATO exercises the discretion to grant lodgment deferrals by applying [PS LA 2011/15](#) Lodgment obligations, due dates and deferrals.

It would be reasonable for the ATO to defer lodgment of an obligation in circumstances such as the serious illness of the agent or client, impeded access to records, or where a small number of returns will not be lodged by the due date despite a concerted effort by the agent.

Separate legislative provisions provide the Commissioner with the discretion to defer the due date for payment of a tax liability. Payment deferrals are primarily based on the client's ability to pay by the due date.

The relevant provision under which the Commissioner may defer time for payment is Section 255-10 of Schedule 1 to the TAA1953. A deferral of payment extends the date for payment without any penalties accruing between the original due date to the deferred due date. We are guided by [PS LA 2011/14](#) General debt collection powers and principles when considering requests for additional time to pay. Payment will be deferred where the debtor can demonstrate that are circumstances beyond their control affecting their ability to pay on time, **and** payment in full can be made at a later date. A list of circumstances which is not exhaustive are outlined; such as natural disasters, legal impediment, and serious illness.



Due the variety of reasons that can lead to a lodgment deferral being requested, and the application of payment deferrals under separate legislative provisions, a payment deferral cannot be automatically applied, nor is it always appropriate to do so.

The circumstances allowing lodgment deferral are not the same for payment deferral. For the ATO there is a risk to timely collection of revenue in automatically granting payment deferrals.

Clients/agents are encouraged to make an estimate of the liability, this information can be sourced from BAS lodged in previous periods.

For further information see the ATOs Services and Support Overview for Agents, [click here for your copy](#).

[RETURN TO TOP](#) ↑

## New Client with Outstanding Lodgements

The ATO now advise.....

*There's no need to turn clients away if you have the capacity to bring that client up to date with their lodgments. To give you time to prepare and lodge any overdue returns you can request a lodgment deferral for the current year income tax return.*

### Bookkeepers and BAS Agents Impact

ICB are constantly asked about the impact of adding a new client with outstanding lodgements to the BAS Agents client list.

Our discussions with the ATO are consistent with the above concept;

1. Add the client
2. Advise the ATO (secure mail on the portal) that you have just taken on the client and are now working to bring their lodgements up to date
3. Occasionally this triggers compliance correspondence from the ATO. If it does, lodge a formal complaint with them and then also let ICB know. The ATO are encouraging you to add such clients and therefore they should then work with you in a co-operative manner.

PLEASE note that there is NO 85% or any other lodgement requirement on a BAS Agent. (That concept applies to Tax Agents lodgements of tax returns)

- [Lodgement Deferrals for Registered Agents from the ATO](#)

[RETURN TO TOP](#) ↑

## Prove the Identity of Your Clients

### Client Identity Checks

How do you verify the identity of a new client? The ATO has stated that tax professionals should take steps to check the true identity of potential clients.

We recommend you include some form of identity check when agreeing to work with a new client. The ATO guidance can be found at [Proof of Identity Checks](#).

Note that this is NOT a legal requirement at this time for tax professionals, however the ATO says it is “important” you take steps to prevent fraud, and they “strongly recommend” that you perform identity checks.

It is clear that if you are an agent working on behalf of a taxpayer, you must be sure you know who the taxpayer is and that the actual taxpayer has authorised the work. If there is another person/representative involved then the agent must have specific authority to work with that person.

The ATO has released detailed recommendations for Tax Agents. We assume that BAS agents can also ask for the same documents. See checklist below.

#### New Clients

- You can physically sight at least one of the following:
  - Passport
  - Drivers licence
  - Government or student identity card
- And at least one of the following:
  - Last year’s notice of assessment
  - Birth certificate
  - Medicare card
  - Recent bank statement (not credit card)



#### New Clients Online or Distant

For new clients that you have not met in person, you still need to be satisfied that they are a genuine taxpayer and that they are who they say they are.

- TFN
- Full name and date of birth
- Residential address
- Medicare number
- Employment details if applicable

## Verifying the Information

Fraudulent activities are becoming increasingly sophisticated, and it is being committed by individuals as well as larger fraud networks. People may be very convincing in posing as another taxpayer.

If you receive information from the prospective client that is conflicting or contains discrepancies, you may choose to ask for more information to confirm the identity, or refuse to take them on as a client, and if you have serious concerns you can report the suspected identity.

If a client requests that you change details and you are not convinced of the legitimacy of the request, you can verify the request through various means.

- If they request bank details are changed, ask them to verify the previous bank account name and details and also ask for proof that the new bank account is in the name of that individual or entity.
- If you receive emails or written communications from your client that you are not convinced are from them, check with them verbally that the communication in question was in fact sent by them.
- For business entities, you may want to check their ASIC and ABR entries and check any related entities.
- If a client is claiming a large BAS refund and/or amendment that will result in a refund, review related source documents to verify the claim is correct.

## What About Clients Who are Remote and we Only Deal With Online?

We understand the ATO are considering this matter at this time. However we think it remains clear: A registered agent must be convinced that they have authority from the individual or the legal officers (directors/owners/trustees/partners) of the entity before they can lodge any document on their behalf.

A professional adviser cannot release information about a client to anyone other than that client or a person whom the client has authorised to receive that information. Accordingly you must KNOW who the actual client is and be authorised by them.

In an online world you still need to obtain proof that you are allowed to act, and you need to be convinced that the taxpayer is legitimate.

## ICB Recommendations for New Client Identity Check

But how does this work in the real world? Do we really want to inflict an identity check on a new client if it is not a legal requirement?

It is clear that if you are an agent acting on behalf of a taxpayer, you must be sure you know who the taxpayer is and that the actual taxpayer has authorised the work. If there is another person/representative involved then you must have specific authority from the taxpayer to work with that person as their representative.

You must have authority from the person/entity themselves that you are permitted to act on their behalf.

### Yes you must check!

## BAS Agent Code of Conduct Reminders

The Tax Practitioners Board BAS agent Code of Conduct demands a number of important principles of you the agent.

- You must take reasonable care to ascertain a client's state of affairs.
- You must act with honesty and integrity.
- You must act lawfully in the best interests of your client.
- You do not disclose any information relating to a client's affairs to a third party without your client's permission.
- It also says do not lodge anything you know or suspect to be incorrect.

# New Client Identity Checklist

<b>Proof of Identity Documents</b> ✓	
<b>At least one of the following photo ID:</b>	
Passport	
Drivers licence	
Government issued card	
<b>AND at least one of the following:</b>	
Tax assessment notice (previous tax year only)	
Birth certificate	
Medicare card	
Recent bank statement (not credit card)	
<b>For temporary residents BOTH of these:</b>	
Working visa and tax residency status	
Letter from employer on letterhead	
<b>For representatives of your client ALL of these:</b>	
Letter authorising the person to act as representative	
Above documents to verify identity of the representative	

## Related Resources

- [ATO - Proof of Identity Checks](#)

[RETURN TO TOP](#) ↑

## Payment Summary for Family Business can be Lodged Later

### 2015 “closely held” lodgment concessions

Agents had recently been issued information from the ATO about their clients who may lodge their "Closely Held" entity payment summaries at the same time as the Tax Returns are lodged.

The ATO are providing the list of clients who have been reviewed for eligibility for the 2015 “closely held” lodgment concession.

The client’s names and ABNs are listed showing their eligibility. For clients who are not eligible for the concession, the ATO have provided a reason.

Eligible clients have until the due date of their 2015 income tax return to lodge their 2015 pay as you go (PAYG) withholding payment summary annual report.



**Adding or removing clients**

If you have clients who have not been granted the concession, you have until 28 September 2015 to notify the ATO. The ATO won't action any requests received after this date.

Download and complete the lodgment concession request form which is available on ato.gov.au - by searching for 'closely held lodgment concession'.

You can use the same lodgment concession request form to tell the ATO of any clients who are no longer eligible for the concession.

Penalties may apply if the 2015 PAYG withholding payment summary annual report is not lodged on time.

**For more information**

If you have any questions, please phone 13 72 86 Fast Key Code 1 3 1 1 between 8.00am and 6.00pm, Monday to Friday.

[RETURN TO TOP](#) ↑

**Continued Professional Education**

**This Month From the ICB Continued Professional Education Webpage**

ICB Events and Webinars	Classroom	Online
<p><a href="#">ICB Network Meetings</a> Nationally, Monthly</p> <p><a href="#">ICB Technical Webinar: All things subcontractors</a> Online 25th August, 2015</p> <p><a href="#">ICB Technical Webinar: All Aspects of Terminations</a> Webinar 15th September, 2015</p> <p><a href="#">ICB Student Webinar - August 2015</a> Online 27th August, 2015</p> <p><a href="#">ICB Student Webinar - September 2015</a> Online 24th September, 2015</p>	<p><a href="#">FNSBKG405A - Establish and maintain a payroll system</a> Classroom, Hornsby, NSW 1st and 8th August, 2015</p> <p><a href="#">Practical Guide to Using Social Media</a> Classroom, Perth, WA 12th August, 2015</p> <p><a href="#">Xerocon 2015</a> Conference, Melbourne, Vic 13th - 14th August, 2015</p> <p><a href="#">SA Employers Breakfast</a> Classroom, Hindmarsh, SA 21st August, 2015</p> <p><a href="#">GST/IAS and Payroll Skill Set</a> Classroom, Hornsby, NSW 1st, 8th, 15th and 22nd August, 2015</p> <p><a href="#">Business Software All-rounder</a> Classroom, Balcatta, WA Various Dates</p> <p><a href="#">Payroll Legislation</a> Classroom, Wollongong, NSW 7th September, 2015</p> <p><a href="#">MYOB Tips and Tricks</a> Classroom, Wollongong, NSW 8th September, 2015</p>	<p><a href="#">Webinar: MYOB News Channel</a> Online 7th August, 2015</p> <p><a href="#">MYOB GST Reporting tools and options</a> Online 14th August, 2015</p> <p><a href="#">Reckon Training Webinars</a> Online Various Dates</p> <p><a href="#">Reckon One Training Webinars</a> Online Various Dates</p> <p><a href="#">Xero Tips and Tricks</a> Online Various Dates</p>



[Understanding Financial Reports from a BAS Agent/Bookkeeper Perspective](#)

Classroom, Wollongong, NSW  
8th September, 2015

[MYOB Partner Connect 2015](#)  
Conference, Various locations  
Various Dates

[Payroll Administration](#)  
Classroom, Perth, WA  
Various Dates

[Certificate in MYOB](#)  
Classroom, Perth, WA  
Various Dates

[Calxa Club Invitation](#)  
Various Locations  
Various Dates

[Reckon Conference 2015](#)  
Various Locations  
Various Dates

[QBO QuickStart](#)  
Classroom, Philip, ACT  
Various Dates

[Foundations of Payroll](#)  
Various  
Locations  
Various Dates

[Terminations](#)  
Various  
Locations



[RETURN TO TOP](#) ↑

## ICB Network Meetings

### Question For You to Discuss This Month - FBT vs Reimbursement

This month's question for you all to debate at your network meeting is:

If a person was to do work a few hours a week (deliveries and running around, helping where they could) and received a reimbursement for fuel around \$200.00 per week (would be paid monthly), would this be a fringe benefit and classed as an income, or is it just an expense to the business and a reimbursement to the person getting it?

The person is retired and is not an employee.

Let us know your thoughts and solutions by posting comments on the Q & A Space.



Let us know your thoughts here

## Last month we asked you:

My client has awarded an employee a bonus for staff member of the year, in the form of a voucher for \$2,000 to a travel agent. How should I enter this in payroll and is FBT a factor?

### ICB's Response:

This voucher is definitely considered to be a fringe benefit. It would probably be classified as a "residual fringe benefit" as it does not fit into the other categories. It would be called a travel benefit.

Because this is not considered entertainment, the business can *most likely* claim this as a deduction - but you will need to check this with the tax agent. It is not wages and salary so does not get entered in payroll, but simply as an expense paid to the supplier.

If it is claimable, enter with relevant tax code as per invoice from supplier and/or tax agent's advice. If it is not claimable, enter as an "other expense" so it sits outside the usual financial accounts, and use N-T code.

If the employee has received other benefits throughout the FBT year, you will also need to contact the tax agent about grossed-up amounts to report on the payment summary.

- [ATO - Residual Fringe Benefits](#)
- [ICB - Fringe Benefits Tax](#)

[RETURN TO TOP](#) ↑

## Upcoming Network Meetings

Join a network meeting this month, not just to share, but to also network and keep informed.

All ICB Network Facilitators volunteer their time to assist ICB in keeping you up to date and informed and without the help of these fantastic people these valuable meetings would not happen.

If you are unable to attend your local meeting due to time restraints or there isn't a meeting in your area, why not join us via webinar on the 2nd week of each month.

Webinars			
<a href="#">Online</a> 14th August, 2015 - 12pm (AEST)	<a href="#">Online</a> 10th August, 2015 - 5pm (AEST)		
Queensland			
<a href="#">Brisbane North</a> 11th August, 2015	<a href="#">Brisbane South</a> 18th August, 2015	<a href="#">Bundaberg</a> 18th August	<a href="#">Burpengary</a> 5th August, 2015
<a href="#">Cairns</a> TBA	<a href="#">Dalby</a> 24th September, 2015	<a href="#">Gold Coast - AM</a> 11th August, 2015	<a href="#">Gold Coast - PM</a> 11th August, 2015
<a href="#">Hervey Bay</a> 4th August, 2015	<a href="#">Ipswich</a> 11th August, 2015	<a href="#">Logan</a> 19th August, 2015	<a href="#">Moreton Bay</a> 10th August, 2015
<a href="#">North Sunshine Coast</a> 18th September, 2015	<a href="#">South Sunshine Coast</a> 13th August, 2015	<a href="#">Toowoomba</a> 14th August, 2015	<a href="#">Townsville</a> 14th August, 2015
New South Wales			
<a href="#">Ballina</a> 14th August, 2015	<a href="#">Balmain</a> 17th August, 2015	<a href="#">Bathurst</a> 18th August, 2015	<a href="#">Bellingen</a> TBA
<a href="#">Blue Mountains</a> 9th September, 2015	<a href="#">Brookvale</a> 10th August, 2015	<a href="#">Central Coast</a> 26th August	<a href="#">Dubbo</a> 17th September, 2015

<b>Hornsby</b> 13th August, 2015	<b>Moorebank</b> 12th August, 2015	<b>Newcastle</b> 24th August, 2015	<b>Orange</b> 17th September, 2015
<b>Port Macquarie</b> 11th August, 2015	<b>Randwick - Bondi</b> 11th August, 2015	<b>Shoalhaven</b> 28th September, 2015	<b>Sutherland</b> 19th August, 2015
<b>ACT</b>			
<b>Canberra - Phillip</b> 11th August, 2015	<b>Canberra - Northside</b> 19th August, 2015		
<b>Victoria</b>			
<b>Bulleen</b> 11th August, 2015	<b>Burwood</b> 5th August, 2015	<b>Chadstone</b> 10th August, 2015	<b>Cobram</b> 6th August, 2015
<b>Docklands</b> 17th September, 2015	<b>Echuca</b> 20th August, 2015	<b>Frankston</b> 13th August, 2015	<b>Geelong</b> 4th August, 2015
<b>Lilydale</b> TBA	<b>Macedon Ranges</b> 18th August, 2015	<b>Mordialloc</b> 11th August, 2015	<b>Mt Waverley</b> 4th August, 2015
<b>Narre Warren</b> TBA	<b>Point Cook</b> 14th August, 2015	<b>Sale</b> 13th August, 2015	<b>Yarra Valley</b> 14th August, 2015
<b>Western Australia</b>			
<b>Balcatta</b> 12th August, 2015	<b>Broome</b> 5th August, 2015	<b>Bunbury</b> 25th August, 2015	<b>Busselton</b> 28th August, 2015
<b>Cockburn Central</b> 19th August, 2015	<b>Joondalup</b> 17th August, 2015	<b>Kalgoorlie</b> 20th August, 2015	<b>Melville</b> 12th August, 2015
<b>Noranda</b> 12th August, 2015	<b>Welshpool</b> 18th August, 2015		
<b>South Australia</b>			
<b>Henley Beach</b> 21st August, 2015	<b>Mt Barker</b> 18th August, 2015	<b>Para Hills</b> 12th August, 2015	<b>South Adelaide</b> 6th August, 2015
<b>Unley</b> 20th August, 2015			
<b>Tasmania</b>			<b>Northern Territory</b>
<b>Hobart</b> TBA			<b>Darwin</b> 17th August, 2015

These meetings are conducted in a relaxed and informal environment to promote discussion amongst those attending the meetings.

No meeting in your area?

We are always on the lookout for facilitators to run meetings in their local area so if you are interested please contact Rick Van Dyk at [rick@icb.org.au](mailto:rick@icb.org.au)



ICB Network Meetings are proudly supported by MYOB

[RETURN TO TOP](#) ↑

### SuperStream Processing Update MYOB



1. Our Customer initiates and approves which super contributions that they want to pay through the pay super feature.
2. On Day 1 MYOB receives instruction and debits customer's nominated bank account for the amount of super that the customer is paying.
3. On Day 2 MYOB holds funds in our Trust Account to ensure that the direct debit is not dishonoured. This is to ensure that MYOB is sending cleared funds to the clearing house.
4. On Day 3 MYOB sends instructions for the superannuation contributions that are required to be made and Superchoice debit our Trust account.
5. On Day 3 Superchoice prepare payment to the relevant super funds and distribute payments to the superfunds along with remittance advices detailing the member contributions that they are paying for.

Currently a super fund may receive payment in a number of ways based on their SuperStream readiness and whether they have connected up to Superchoice via SuperStream. (23 funds were brought online last week as part of processing as an example of rollout speed). The payment options are as follows and will depend on the agreement that Superchoice has with the super fund:

1. Cheque payment and paper based remittance advice - this is issued on Day 3 by Superchoice. The fund then will need to receive the cheque and deposit into their bank account. It is deemed that an employer's obligation is complete on the day that the fund receives the contribution and not when the fund allocates the money to the members account.
2. EFT with electronic remittance advice. EFT is sent on Day 3 to the super fund along with the remittance advice - this is generally a spreadsheet or data file.
3. SuperStream - EFT payment along with the compliant messaging with contribution data embedded in it. This is also sent on Day 3.
4. EFT/ SuperStream Alternate File - this is where Superchoice manage the super fund allocations and are able to directly pass funds to the super fund without going through a gateway.

As the funds complete their testing and connect up to the SuperStream process they are being moved from payment types a and b through to c and d. This should all be completed by 30 June. There are some funds that may pass beyond this date and they have ATO approval for their development to be completed.

[RETURN TO TOP](#)



## What's New This Month?

### Recent Resources, New and Updated

- [End of Year Webinars](#)
- [July 2015 Bookkeeping eBrief for your Clients](#)
- [Payroll Tax](#)
- [July 2015 Network Meeting Webinar](#)
- [ICB Definitive Guide to Terminations 2015/2016](#)
- [Child Support Payments](#)
- [Employing Overseas Workers](#)
- [2015 Members Newsletter Index - January to June 2015](#)
- [June 2015 Members Newsletter Podcast](#)

### News Items

- [ATO Tax Time 2015](#)
- [Media have GST Wrong](#)
- [ATO Webinars](#)
- [ATO Behaviour Plans for 2015-16](#)
- [Increasing your Fees](#)
- [Inside Small Business Article](#)
- [ATO Web & Portal slow](#)
- [Reckon Training Webinars](#)
- [Calxa Club Invitation](#)
- [Travel Overtime Allowances](#)
- [AUSKey holders using Chrome](#)
- [TPB advertising campaign](#)

### ICB Q & A Space News

Have you ever (or know of someone who has) over paid an employee? This month a member has posted a query regarding overpaying and employee their super and the employee no longer works for the company. [What would you do about this?](#). With all the pressure at End of Year, these things can slip through the gaps.

Have you ever used Wotif.com to book accommodation? Have you ever considered using Wotif.com? If you have, you might want to heed the warning from one of our members who found out the hard way that, as they are an arm of the Expedia Group, they are not registered from GST. [You can read her warning here](#). GST adjustments when becoming registered for GST? Can you assist in a member so he can help his client? As the thread states, he can find ample information for ceasing registration but nothing for a growing concern. [Click here to provide any details you can](#). [Dummy payslips for family member](#) Hmmm, bit of a very black area, how would you handle this?

You can check out all the [latest threads](#) here.

Feel free to ask your questions regarding any issue you may be having or if you require clarification, we are here to help.



The Latest Updates lists all the topics in order of replies

RETURN TO TOP ↑

## Products and Solutions

### Business Newsletter - eBrief - July 2015



The July 2015 Bookkeeping eBRIEF is now available for you to download.

- [July 2015 Bookkeeping eBRIEF for Business](#)

Back copies are available [here](#).

*"The best bookkeepers using the best resources".*

RETURN TO TOP ↑

## From the ATO

### ATO Tax Time 2015 - Things to Know

The ATO have issued updates to various end of year matters on their website.

Click here for the full details, [Tax-Time-2015](#)



#### Overview of key changes

Key changes this year include the temporary budget repair levy, the Medicare levy increase, the net medical expenses tax offset phase-out, small business concessions and notice of assessment and tax receipt delivery for myGov account holders.

- [Temporary budget repair levy](#)
- [Mature age worker tax offset abolished](#)
- [Net medical expenses tax offset phase-out](#)
- [Medicare levy increase](#)
- [Dependent \(invalid and carer\) tax offset name change](#)
- [Dependant spouse tax offset to be abolished](#)
- [Notice of assessment and tax receipt delivery for myGov account holders](#)
- [Small business concessions](#)
- [Accelerated depreciation for primary producers](#)
- [Research and development tax offset changes](#)
- [SMSF bank account and electronic service address details](#)
- [SMSF supervisory levy](#)
- [SMSF tax rate changes](#)
- [Conservation tillage refundable tax offset repealed](#)
- [Managed investment trusts - a new tax system](#)
- [Company loss carry-back tax offset repealed](#)
- [Commonwealth penalty units](#)

# ATO Rethinking Small Business

ATO has a view on tax compliance for Small Business.

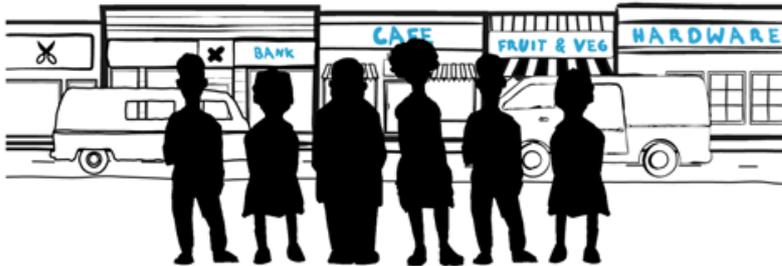
View the [ATO PowerPoint](#) as they recognise the compliance costs are excessive for Small Business.

## Small business is the engine room of the Australian economy

96% OF ALL  
BUSINESSES ARE  
SMALL BUSINESSES

EMPLOY OVER  
4.5 MILLION  
PEOPLE

PRODUCE OVER  
\$330 BILLION IN  
ECONOMIC OUTPUT



### Re:think

[RETURN TO TOP](#) ↑

## ATO Behaviour Plans for 2015-16

The ATO has released the next level of its corporate plan and reinvention documents.

The corporate plan sets out their purpose, priorities and improved performance measures.

This year, to complement their corporate plan, they have released a new suite of products which demonstrate how the ATO will transform future experiences for clients and staff over the next 12 months.

- To read the Program Blueprint Summary, [click here](#)
- To read the ATO Corporate Plan 2015–19, [click here](#)
- To read Every Year Counts for Small Business, [click here](#)
- To read Every Year Counts for Software Developers, [click here](#)
- To read Every Year Counts for Tax Agents and BAS Agents, [click here](#)
- To read Every Year Counts for Individuals, [click here](#)
- To read Every Years Counts for ATO Staff, [click here](#)



[RETURN TO TOP](#) ↑

## ATO Webinars

ATO has recorded and live webinars on many topics which may be relevant for you as a bookkeeper or for your clients.

- [Webinars for Small Business - various topics such as tax deductions, vehicle deductions, issues for contractors and more.](#)
- [Webinars for Rental Property Owners](#)
- [Webinars for Self-Managed Super Fund Trustees](#)
- [Webinars for Taxable Payments Annual Reporting](#)

[RETURN TO TOP](#) ↑

## Portal Maintenance - Scheduled Downtimes

See [this link for scheduled times](#) for the full guide to system maintenance and issues.

The portals will be unavailable at the following times for scheduled system maintenance.

Upcoming scheduled portal system maintenance:

Scheduled Start Time	Scheduled End Time
Saturday 1st August 8.00pm AEST	Saturday 5th September 8.00pm AEST
Sunday 2nd August 8.00am AEST	Sunday 6th September 8.00am AEST

For more details regarding portal maintenance [visit this link](#).

[RETURN TO TOP](#) ↑

## ICB Membership Statistics as at 30th June, 2015

5,041

2,977 Members maintain Fellow, Member, Associate, Affiliate and Educator membership.

ICB also has 22 Accredited Training Provider Members, 2,038 Student Members and 4 Subscriber Members.

[RETURN TO TOP](#) ↑

## ICB Supporters and Sponsors



[RETURN TO TOP](#) ↑

Please note that, in between newsletter issues, articles maybe published straight to the *Latest News* section of the website.

The Institute of Certified Bookkeepers complies with the Spam Act 2003 and we have a documented [Spam Policy](#) on our website. You can unsubscribe from ICB newsletters and updates [here](#).

*ICB's Newsletter* contains news articles, links and regular sections that we feel will be of interest. If there is anything that you would like to see, whether a regular feature or a one-off, please let us know. Email your ideas to [admin@icb.org.au](mailto:admin@icb.org.au)

**The** monthly Newsletter for members of the Institute of Certified Bookkeepers.

A selection of those articles listed are accessible by ICB Members **ONLY** - ICB Members, you will need to be logged onto the ICB website to view all the articles in full.

The newsletter of ICB is designed as information and resources for Bookkeepers with clients and also bookkeepers in employment.

The content of the newsletter maybe relevant in part or in whole to other publications or other purposes.

The ICB withholds all rights of all content that is restricted to member access only and that information included in the member newsletter. Member only information is not to be reproduced without specific consent from ICB.

The ICB permits reproduction of ICB articles and material contained in the non-members newsletter and available publicly on the website on the proviso that acknowledgement of ICB is specifically provided including links to the ICB website and original article. eg "This information has been obtained from the Institute of Certified Bookkeepers from [www.icb.org.au](http://www.icb.org.au).