



Institute of Certified Bookkeepers

Making you Count

P: 1300 85 61 81

F: 1300 85 73 93

E: admin@icb.org.au

W: www.icb.org.au

Bookkeepers helping Bookkeepers help Business

October 2015

[Click here for the online version](#)

News, views and things you need to know

Welcome to the ICB's October 2015 Newsletter

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ICB Membership Statistics

ICB Supporters and Sponsors

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

Important News for You

- [Get Client Authority to Set up SuperStream](#)

Best Practice Bookkeeping

- [Billing up Front for Your Bookkeeping Services](#)
- [Business Needs Analysis Checklist](#)
- [Employing Seniors and Pensioners](#)
- [An ICB Review - What to Pay for Digital Signatures](#)
- [Business Information Sheet - Small Business Director Obligations](#)

Continued Professional Education

- [ICB Technical Webinar - Developing Your Bookkeeping Business Series 2, Working with Clients and Being Professional](#)
- [ICB Technical Webinar - Developing Your Bookkeeping Business Series 3, Progressing Your Business](#)
- [ICB Student Member Webinar - Everything Invoicing](#)

Other Things Happening in the World

- [Commission Only Employment - What You Need to Know](#)

From the ICB

- [October 2015 eBrief, customisable newsletter for your Clients](#)

From the ATO

- [ATO Future Tax Profession Working Group](#)
- [Portal Maintenance - Scheduled Downtimes](#)

ATO Current Hoax Alert

Many scammers pretend to be from the ATO and some scams and hoaxes are very sophisticated and convincing.

We are now hearing stories from members about hoax phone calls to their clients, claiming to be from the ATO, demanding money and using nasty and intimidating tactics.

There is currently an active hoax involving aggressive strong arm tactics to try to shock the business owner into paying money very quickly. The fraudsters are using names of actual ATO employees to identify themselves and demanding payment within a short time frame and they are then threatening the business owner with police and/or legal action. In some cases a fake warrant for arrest has been used.

The ATO have been gathering evidence for over 3 months on this particular scam.

If you or your clients have been approached in this aggressive and threatening manner the ATO would like to hear about it.

Please forward this information on to your clients.

Notify the ATO of a Hoax

- Email details of the phone call or forward the hoax email you have received ReportEmailFraud@ato.gov.au
- If you are unsure, you can check the legitimacy of the contact with the ATO on 13 28 61



How to Know if it is the ATO Emailing or Phoning

- An email from the ATO will always be addressed to you personally.
- Check the address of the sender — it should be from ato.gov.au, not any other variation of this. An email from the ATO will never be sent from another address on behalf of the ATO.
- The ATO will never request personal details from you via email — anything that asks for bank details, PIN, name address or similar WILL be spam.
- If the email states that you owe the ATO money, it is spam. The ATO will always communicate this kind of information via letter and/or communications to your registered agent. They have a specific process that must be followed for their debt collection before they can threaten legal action. If you receive an email about legal action, without any other communications from the ATO about the matter, it is likely to be a hoax.
- If the email promises you a refund, it is spam. Refunds are only calculated after you have lodged a tax return and this will always be communicated via letter and/or registered agent. Refunds will always be paid by either cheque or into a previously nominated bank account. The ATO does not require you to verify or complete anything in order to receive your refund.
- If you have a myGov account you can log in and check communications there. Any email sent from the ATO should also be listed in your account.
- If you have a registered BAS or tax agent listed as an authorised contact, the ATO will usually contact them FIRST. When the ATO plans to contact a business owner directly, they will also contact the registered tax agent to notify them of the communication one week prior to the taxpayer contact.
- If you receive an unsolicited phone call from the ATO, be suspicious.
- If you have any suspicions about the ATO representative calling you, whether it is unsolicited or not, ask for their name and then phone them back through the ATO switchboard on 13 28 69.
- The ATO are increasingly using SMS messages to communicate to taxpayers. They will often be notifying you of an email that has been sent to you, but could also be acknowledgement of an application, a reminder of an appointment (that you would already know about), reminders about debt repayment plans (that you would already know about), and notices of system outages.

References

- ICB - Security and Privacy
- ATO - How to Verify or Report a Scam
- ATO - SMS and Email Activities
- Scamwatch

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How to Subscribe to ICB Network Meetings

There are over 60 network meetings operating around Australia. They are a good way to keep up to date with current industry information, but more importantly a great opportunity to network with other bookkeepers and exchange ideas and information with your peers.

Process to Subscribe to Meetings

1. Log into the ICB website
2. Go to MyICB



3. Select Account settings



4. Click on "My Email Preferences"
5. Tick the box against the network meeting(s) you wish to receive invites for. You may subscribe to as many network meetings as you like in your area.
6. Non-members can register to the ICB website and then subscribe to meetings via the above process; the fee is \$11 per meeting payable online.

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Cup Day Public Holiday - ICB Office Closed

Please note the ICB's Office will be closed on Tuesday 3rd November 2015 due to the Melbourne Cup Day Public Holiday.

We will be back on Wednesday, 4th of November at 8am.

We apologise for the inconvenience this may cause.



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Best Practice Bookkeeping

Obtaining Digital Signatures

Digital Signatures

It is very pleasing to see a rapid evolution in the provision of digital signature solutions being provided to us.

The use of digital signatures is efficient. It is a system you should be adopting.



The Process

1. Following all the data verification and reconciliation, produce the document that needs to be authorised.
2. Create the PDF (possibly using just the print driver or produce from within your software).
3. Some digital signature programs then require you to indicate where the digital signature is to be placed on the document.
4. Securely send (see below #1) the document to the person authorised to sign on behalf of the business. You may have noticed the rapid development of business portal systems to enable this send and return of documents.
5. Business opens and reviews the document and the declaration clauses.
6. Business can "digitally sign" the form, (see below #2 re methods of signing).
7. Document is securely returned to you for lodgement, (see below #3).
8. Ensure it has been signed and not "rejected", (see below #4).
9. Lodge the document, (preferably electronically).
10. Store the document with the imbedded digital signature details.



Implications

#1 Secure Delivery of Documents

Privacy law requires you to consider how you provide information to your clients. Emailing anything with a TFN disclosed is not acceptable.

Fortunately, we are also beginning to have access to software that provides a secure communication channel with our businesses. In some cases, it is the “client portal”, in some cases the PDF becomes encrypted or password protected.

We recommend you check the security of your email system. Free email providers may be free because they are interrogating the contents of each email for marketing information. Use of such services would be in breach of privacy and tax laws.

#2 Digital Signing

We are typically moving away, (thankfully), from using the mouse to emulate your normal signature. The better system is where the “Authoriser” has to be identified to the system by pin or password and then is able to “Approve/Sign” the document by hitting the button.

Please note Step 6 above where you need to ensure that the system you adopt causes the business to actually review the document before they can approve it. The system should only allow them to “sign” it when they are aware of what they are signing and the terms of the declaration attached to the form.

It has been argued that why should a digital signature be harder to attach than simply signing paper that the business hasn't read. Our response: With paper you have a physical signature by the business on the line beside the declaration – the person signing has to take responsibility for applying that signature. In a digital world we have to enable/enforce the business owner to take responsibility for “approving” a form for lodgement. If they are responsible, then we are concerned it will be argued that any fault is more readily attributable to the bookkeeper who provided the form.

#3 Notification Systems

We like the development of practice management systems that provide the communication system between the business owner and yourself. When the document is signed by the client, you receive a notification telling you it is approved and ready for lodgement.

#4 “Reject” or Comments from the Business

We also like the concept of the digital signature program providing the mechanism for the business to **easily** reject the form but more importantly to **easily** ask questions or make comments.

Related References

- [ICB Review - What to Pay for Digital Signatures](#)
- [ICB - Record Keeping](#)
- [ICB - Client Declarations Required](#)
- [Taxation Administration Act 1953 Schedule 1](#)
- [GovReports Digital Authentication](#)
- [Secured Signing](#)

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What Technology is Giving Us

As accounting software gets around to delivering better processes it could be having a drastic shift on what you are doing!

More to the point it should be creating a drastic shift on where you are spending your time.

It should be enhancing the level of understanding, information and certainty you are now able to provide your business.

It should be giving you more time to work on the business system and ensure that the business systems are working together seamlessly automatically and that they are able to provide the reports you need.

Every business system I touch at the moment is reasonably well built on the techniques and the systems of 5 (or more) years ago. How far we have come!

Those same state of the art 2010 systems now need to be brought up to the 2015/16 systems

- Bank feeds used to reconcile the data that has happened in the system
- Purchase order systems
- Employee portals
- Email sales invoices
- Electronic payment gateways
- SuperStream enables super payments and reporting

For some reason we, who have been doing this for some time are constantly being told:

- to be a “Trusted Advisor”
- to provide “value add services”

But this is no different!

We have always done this!

Bookkeeping does extend from understanding the business, through setting up systems, processing transactions, checking the processing, validating the reports, ensuring compliance and providing information.

Nothing changes in the outcomes that we are delivering.

What changes is the time allocated to what we do.

Businesses always have kept a limit on the cost of bookkeeping and accounting. Thereby the professional bookkeeper can only afford to spend so much time on that business.

Technology should enable far less of the budget, (the allocated time), to be spent on simply processing and what takes much of an accountant's time verifying the processing.

Bank feeds should remove the mechanical tick and flick of bank reconciliation. For those that live in the old world of creating transactions from the bank records, bank feeds should automate the creation of transactions.

Bookkeepers can now spend more time checking the bank rules, checking for anomalies, chasing down the exceptions, providing increased compliance certainty to the business and provide enhanced information to the business.

“Most accounting firms generate less than 5% of their fees from things that aren't compliance” is quoted time and time again.

This is **not** the fault of the accounting firm; it has been a consequence of poor technology and limited budget.

Business does **not** value accounting work, (or bookkeeping), highly enough to allocate sufficient resources to all the tasks that we might want to suggest to them. I am not for a moment saying they should do it themselves, it is a mental leap and then a monetary allocation for business to allocate sufficient funds to have the accountants and bookkeepers do what they could be doing themselves.



In the past, technology of the day meant coding bank statements, then data processing, entering cheques, rekeying invoices and redoing payroll records. The majority of the budget was consumed by simply getting the numbers in and then, if you were lucky, getting them to add up as well.

Now today's technology means the numbers should be in and should already add up.

Our work should become checking that the numbers got in properly and then what should be done with the information that we now have the time to think about.

How do we make the mental transition so that we perceive we can allocate more of our value to the information?

In the past we have overcharged a business for data entry so much so that we then couldn't afford to do the right work.

Now technology is delivering that data entry for reduced cost so that we can spend more time on doing the right work. It's not a different world, just a reallocation of your use of time.

How to transition?

Don't decrease your fee but do increase your output. Provide more to the business. Offer more information, more observations and a greater level of certainty.

Begin to ask the business:

- What keeps you awake at night? What is it you don't know about your business that you would like to know?
- What are the blockages to getting more done in the business?
- What things affect your performance?
- What information do you need to monitor their performance that will help them?

Then use your information to provide answers or insight into solving the woes of business.

As we increasingly become embroiled in this race to the cloud, remember: *Making the most of cloud tools boils down to understanding what each of them does, how they interconnect, and most importantly, how they map to the requirements of your clients' businesses.*

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Moving from Sole Trader to Company Structure

Are you or your clients thinking of becoming a company?

Business structure impacts how much tax is paid, and affects the responsibilities and obligations as a business owner, personal liability, asset protection and costs of running a business.



Many bookkeepers and other service providers start out as sole traders and later decide to move to being a company or trust structure.

You may also be approached by your clients for general advice on this issue. Business.gov.au has created detailed comparisons and checklists for those considering moving from a sole trader structure to a company structure. See below for links to their information.

Remember that for specific advice on this matter the business owner will need to check with their tax agent.

Factors to consider

- Either type of entity can employ people.
- A sole trader can use one bank account for all activities; company director should ideally have separate bank accounts for business and personal activities.
- Liability for unpaid superannuation and PAYG withholding for employees applies to both types. A sole trader can be sued and held personally liable. Company directors have a legal responsibility to ensure employee obligations are met by the company.

- Different tax rates apply to sole traders vs companies. Sole traders' tax is calculated according to marginal rates for individuals. Company tax is paid at a flat rate of 28.5% for small business entities and 30% for other companies. Company directors also pay tax on their personal earnings, (including dividends), according to marginal rates.
- Company directors must lodge both a company tax return and an individual tax return.
- Sole trader structure is the cheapest form of going into business. Companies have higher costs associated with being in business, such as ASIC fees and set up costs.
- There may be more record keeping requirements for a company, such as director meetings, member meetings, and greater financial reporting obligations. However, the record keeping requirements for all business activities is the same for a sole trader as for a company.
- A sole trader's personal assets may be used to pay business debts. A company is generally liable for its own debts and company assets may be used to pay for business debts. However, a director may be held personally liable for employee tax and superannuation if unpaid.
- A company has a legal obligation to remain solvent, although if a sole trader is trading insolvent they will be liable for debts incurred and this may have implications for bankruptcy.
- A sole trader has full control over the business. A company is controlled by its directors and constitution.
- A company has a separate legal existence from its owners.
- You are not locked into any particular structure forever; you can change structure according to your personal and business needs.



Moving from Sole Trader to Company

1. Get advice - talk to your tax agent about whether a change of structure is right for you.
2. Understand the impact of changes to business costs, obligations, administration, taxes and so on.
3. Be sure you understand and accept responsibility for your legal obligations as a company director.
4. Register your company name and trading name if applicable.
5. Open a company bank account.
6. Apply for registrations and licenses as needed: GST, PAYGW, domain names, trade-marks, and relevant industry related licences.
7. Consider registering with ABLIS (Australian Business License and Information Services).
8. Apply with ASIC for registration as an Australian company; pay registration fees; lodge paper form only.
9. Keep company details up-to-date with ASIC - notify changes within 28 days.

Bookkeeping Factors

- Start a new data file, as the company is deemed to be a separate business.
- The owner will need to open a business account in the company name.
- Any outstanding debtors and creditors of the sole trader remain with the sole trader; these do not get transferred to the company. They are paid to and from the sole trader bank account.
- New debtors and creditors raised from the date of the company registration should be paid to and from the company bank account.
- Often sole traders when moving to a company structure will at the same time become registered for GST and PAYGW, so this must be planned for accordingly.

- If the company is started part way through a quarter and is registered for GST, and the sole trader was also registered for GST, then there may be two BASs required in this situation, in order to report for the full quarter.
- If the sole trader was registered for GST, make sure to check that the registration is cancelled, unless the tax agent instructs that it should remain active. If this is the case you may be lodging a nil BAS for some periods beyond the time that the sole trader ceased to operate.
- Get advice from the tax agent about paying the owner as an employee and if dividends or other fees will be paid.

References

- [ICB - Explaining Different Business Structures](#)
- [ICB - Small Business Tools from Government](#)
- [ICB - Business Information Sheet Company Director Obligations](#)
- [Business.gov.au - Sole Trader vs Company](#)
- [ASIC - Your Obligations as a Company Director](#)
- [ASIC - Application for Registration as an Australian Company](#)
- [ATO - Director Penalty Regime](#)
- [ATO - Registering for GST](#)
- [Australian Business License and Information Service](#)

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The BAS Agent World

Tax Risk Management and Governance Guide

The ATO has developed a tax risk management and governance review guide for business. While aimed at large business, there are guidelines for small to medium businesses as well.

The ATO is encouraging businesses to adopt an internal control framework to self-assess tax and operational risks.



The full guide addresses responsibilities of both boards of directors and management personnel.

Small to medium entities may not have the formal documents of large entities, but nevertheless the same principles can apply.

- Role of management in authorising suppliers, granting credit to customers, controlling bank accounts and so on
- Levels of access and permissions granted to staff appropriate to their role
- Staff, management and board roles and responsibilities should be clearly defined and documented, with appropriate segregation of duties and security processes
- Adoption of documented policies and procedures
- Controls are checked internally by existing staff and/or business owners rather than an external person or entity
- Audit trail records
- Code of conduct for staff and associates—this may be more formal in a large business, but may be informally adopted through the accepted culture of a small business
- Chains of authority, communication and reporting should be clear
- Directors should understand their legal liabilities, rights and obligations



- Adoption of technology and information controls and security procedures
- Record keeping policies and procedures
- Accounting software and procedures

Role of the Bookkeeper

As the bookkeeper or BAS agent, you are in a position to advise the business owner if you see any governance risks. You can make recommendations to the owner, for example, perhaps they could adopt a Financial Control Policy.

The bookkeeper cannot advise on general tax risk strategies, however, you may be in a position to advise on GST and PAYG risk management, because you are familiar with the cycles and patterns of the business, and these are areas of tax that you are directly involved in.

You can certainly advise on general principles and guidelines as suggested in the list above.

References

- [ATO - Tax Risk Management and Governance Review Guide](#)
- [ASX - Corporate Governance Principles](#)
- [ASIC - Corporate Governance](#)
- [ICB - Financial Controls Policy](#)
- [ICB - Making Client Payments](#)

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Continued Professional Education

This Month From the ICB Continued Professional Education Webpage

ICB Events and Webinars	Classroom	Online
ICB 2016 Conference Nationally, March 2016	ATO Community Conversations Classroom, Various Locations Various Dates	Webinars: Master Series Online Various Dates
ICB's Technical Webinar: Developing Your Bookkeeping Business Series 2 - Working with Clients and Understanding Debt Online 17th November, 2015	Introduction to Xero Workshops Classroom, Brisbane, QLD Various Dates	Reckon Accounts and Lunic Software Webinar Online Various Dates
ICB's Technical Webinar: Developing Your Bookkeeping Business Series 3 - Progressing Your Business Online 15th December, 2015	QBO QuickStart Classroom, Philip, ACT Various Dates	Why Xero for your Practice and Clients Webinar Online Various Dates
ICB Network Meetings Nationally, Monthly	Xero Certification Classroom, Various Locations Various Dates	SuperStream using MYOB Online Various Dates
ICB Student Webinar - November 2015 Online 25th November, 2015	Excel - Format and Produce Spreadsheets Classroom, Balcatta, WA Various Dates	Reckon One Training Webinars Online Various Dates
	Reckon Accounts Certificate for Bookkeepers Various Locations Various Dates	Xero Certification Online Various Dates



[Xero Intermediate Payroll and BAS](#)
Classroom, Balcatta, WA
Various Dates

[ATO Open Forums](#)
Various Locations
Various Dates

[BAS and Company Reporting using Reckon Accounts](#)
Various Locations
Various Dates

[Paying your Employees using Reckon Accounts](#)
Various Locations
Various Dates

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

[Reckon Accounts - Advanced Certificate](#)
Various Locations
Various Dates

[Xero Advanced BAS, Reporting, Payroll, Fixed Assets](#)
Classroom, Clovelly Park, SA
Various Dates

[Terminations](#)
Various Locations
Various Dates

[Xero Mastering the Basics](#)
Classroom, Clovelly Park, SA
Various Dates

[Payroll Specialist Training](#)
Online
Various Dates

[Reckon Worktools Webinar Series](#)
Online
Various Dates

[Reckon Accounts Webinars](#)
Online
Various Dates

[Xero SuperStream](#)
Online
Various Dates

[GovReports Transition Webinar](#)
Online
Various Dates



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ICB Network Meetings

Question For You to Discuss This Month - Directors and Superannuation

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

I have a client who is the director of his own company and he is an employee. He is not interested in paying his own super. Do the same laws apply to a director? I am unsure of my obligation as a BAS agent in this situation. Do I have to report this to the ATO or anyone? I have already given the client information on superannuation and directors potentially being personally liable for unpaid super.



[Let us know your thoughts here](#)

Last month we asked you:

A client has just registered for GST, but instead of registering from the start of the quarter, she has registered from 1st May. How do I treat the mid-quarter registration for the first BAS, should I include all of April's transactions in the BAS?

It is unusual that a business would register mid-quarter but no problem.

ICB's Response:

You only need to report transactions from the date of registration on the first BAS. So in this instance, April's transactions are not reportable on the BAS. You only need to report the figures from 1st May.

Once a business has reached the threshold of registration they need to register within 21 days. This is \$75,000 for businesses and enterprises, and \$150,000 for not-for-profit entities. You can back date the registration but it would be more usual to start the registration from the next quarter to allow the business owner time to plan for the impact on their business process and cashflow of having to report GST to the ATO.

On a related note, we hear that many business owners are reluctant to put prices up by 10% when they register for GST, yet this is exactly what should happen. It is a legitimate business necessity and invoices should be issued accordingly, with GST added to existing product or service prices. If they do not add 10% to invoices, they will have to forfeit 10% from their existing charges and this can have a significant impact on cashflow, particularly for a sole trader who is used to thinking of everything that hits their bank account as "theirs".

If the business has an overdraft account, the owner may prefer to keep ATO funds in the account to keep the overdraft down, however, they would need to be diligent in managing the ATO liabilities and overdraft.

If you are working with a business owner who is facing GST registration, encourage them to open a separate bank account that they transfer 10% of income into, and encourage them not to think of it as "their money"!

For a business that is not yet registered for GST, it is good practice to monitor the turnover each quarter. This means that if the business income is getting to \$18,000 per quarter on a regular basis you should monitor the turnover monthly.

For a business that is under the relevant threshold, registration is voluntary. A business can still be registered for GST and therefore charge and claim accordingly, even if they are earning less than the threshold. A business that is voluntarily registered is still required to submit a BAS, and may be eligible for annual GST reporting rather than quarterly. Some new businesses elect to register for GST regardless of turnover so that they are seen to be operating in the same sphere of competition and professionalism as other businesses.

Related References

- [ICB - GST Guide](#)
- [ICB - GST Compliance Review](#)
- [ATO - Registering for GST](#)

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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			
Online 13th November, 2015 - 12pm (AEST)	Online 9th November, 2015 - 5pm (AEST)		

Queensland			
Brisbane North 10th November, 2015	Brisbane South 17th November, 2015	Bundaberg 17th November, 2015	Burpengary 11th November, 2015
Cairns TBA	Dalby 29th October, 2015	Gold Coast - AM 10th November, 2015	Gold Coast - PM 10th November, 2015
Hervey Bay 15th December, 2015	Ipswich 10th November, 2015	Logan 18th November, 2015	Moreton Bay 9th November, 2015
North Sunshine Coast 13th November, 2015	South Sunshine Coast 12th November, 2015	Toowoomba 13th November, 2015	Townsville 13th November, 2015
New South Wales			
Ballina 11th December, 2015	Balmain 16th November, 2015	Bathurst 17th November, 2015	Bellingen 24th November, 2015
Blue Mountains 11th November, 2015	Brookvale 7th December, 2015	Central Coast 29th October, 2015	Dubbo 3rd December, 2015
Hornsby 12th November, 2015	Moorebank TBA	Newcastle 16th November, 2015	Newport 9th November, 2015
Orange 19th November, 2015	Port Macquarie 10th November, 2015	Randwick - Bondi 10th November, 2015	Shoalhaven 30th November, 2015
Southern Highlands 16th November, 2015	Sutherland 18th November, 2015	Wollongong 10th November, 2015	
ACT			
Canberra - Northside 18th November, 2015	Canberra - Phillip 10th November, 2015		
Victoria			
Bulleen 10th November, 2015	Burwood 4th November, 2015	Chadstone 9th November, 2015	Docklands 19th November, 2015
Echuca 26th November, 2015	Frankston 12th November, 2015	Geelong 27th October, 2015	Lilydale 29th October, 2015
Macedon Ranges 15th December, 2015	Mordialloc 10th November, 2015	Mt Waverley 10th November, 2015	Northern Suburbs TBA
Point Cook 13th November, 2015	Sale 12th November, 2015	Yarra Valley 13th November, 2015	Burwood Bookkeepers End of Year Lunch 4th November, 2015
Western Australia			
Bunbury 3rd November, 2015	Busselton 30th October, 2015	Cockburn Central 18th November, 2015	Joondalup 16th November, 2015
Kalgoorlie TBA	Melville 11th November, 2015	Noranda 11th November, 2015	Welshpool 17th November, 2015
South Australia			
Adelaide West 20th November, 2015	Mt Barker 17th November, 2015	Para Hills 18th November, 2015	South Adelaide 5th November, 2015
Unley 19th November, 2015			
Tasmania			Northern Territory
Hobart 13th November, 2015			Darwin 9th November, 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



ICB Network Meetings are proudly supported by MYOB

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This Month From the ICB

ICB Conference 2016: A Life in the Day of a Bookkeeper



Agenda (TBC)

- Providing you with a working kit of techniques and tools to assist you each day
- Debit Loan accounts - why you can't just post to a Directors Loan or Drawings Account
- Materiality - a bookkeeper's approach to making "Materiality" judgements - when should we worry about the little amounts
- Practical guide to providing essential business services (Procedures and tools to collect your business debts)
- FairWork: Techniques and Resources to help clients meet their minimum legal obligations (David Bates from Workforce Guardian)

Pricing

Membership Level	Price
Full Members (<i>Early Bird Price until Wednesday 20th January, 2016</i>)	\$253.00
Full Members (<i>From Thursday 21st January, 2016</i>)	\$297.00
Students / Educators (<i>Registrations open Thursday 21st January, 2016</i>)	\$297.00
Non Member (<i>Registrations open Thursday 21st January, 2016</i>)	\$396.00

Register

Hobart Tuesday 1 March, 2016 Wrest Point Hobart 410 Sandy Bay Road, Hobart	Melbourne Wednesday 2 March, 2016 Melbourne Park Function Centre Batman Avenue, Melbourne	Adelaide Thursday 3 March, 2016 Adelaide Convention Centre North Terrace, Adelaide
Sydney Friday 4 March, 2016 Sofitel Sydney Wentworth 61-101 Phillip Street, Sydney	Canberra Wednesday 9 March, 2016 Hyatt Hotel Canberra 120 Commonwealth Avenue, Canberra	Perth Thursday 10 March, 2016 Hyatt Regency Perth 99 Adelaide Terrace, Perth
Brisbane Tuesday 22 March, 2016 Royal International Convention Centre 600 Gregory Terrace, Bowen Hills	Cairns Wednesday 23 March, 2016 Pullman Cairns International 17 Abbott Street, Cairns	Darwin Thursday 24 March, 2016 Doubletree by Hilton The Esplanade, Darwin

For further details, [click here](#).

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ICB Members Recognised

ICB would like to congratulate the following ICB Members on their recent awards at the MYOB Partner Connection annual dinner (the full rundown on the [MYOB Conference 2015](#) can be read [here](#)):

- Marg Whitfield - Partner of the Year at MYOB
- Maria Landrelli - Lifetime Achievement Award at MYOB
- Brooke Arnott - Innovation Award at MYOB



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What's New This Month?

Recent Resources, New and Updated

- [Premium Funding](#)
- [October 2015 Bookkeeping eBrief for your Clients](#)
- [BAS Agent Renewals - Company, Partnership and Individual](#)
- [September 2015 Members Newsletter Podcast](#)

News Items

- [ICB annoyed with the ATO](#)
- [Melbourne Cup Day](#)
- [Bookkeepers Make Business Better](#)
- [ATO Current Hoax Alert](#)
- [Bookkeeping Week Recorded Webinar](#)

ICB Q & A Space News

Accessing an SGC Statement from the ATO on behalf of a client in a timely fashion seems to be a major issue. While the ATO is aware of the problem and working on a solution they cannot advise when this will be rectified. If you have any advice or stories regarding SGC Statements, [let us know here](#).

GST and reimbursements?? Paying a "reimbursement" which is for a taxable supply is still a taxable supply and would have GST on it. Clear as mud right? [You can read ICB's response to a members query regarding this issue here](#).

Does your Letter of Engagement to your clients advise them that one or more of *your* sub-contractors may work on their files? [Details on how this can be accomplished using the ICB Letter of Engagement template can be found here](#).

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

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



The Latest Updates lists all the topics in order of replies

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October 2015 eBrief Newsletter for Your Business

eBrief



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

- [October 2015 Bookkeeping eBRIEF Newsletter - PDF](#)

[Back copies are available here](#).

"The best bookkeepers using the best resources".

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Products and Solutions

MYOB Conference Report



MYOB Conference 2015

MYOB opened their 2015 conference with the keynote speech from James Scollay who spoke about the following:

- In May MYOB publically listed the company
- Cloud products now has an additional 26,000 new customers which results in a total of 142,000 in Australia; a total 65% growth and a total of 528,000 total MYOB customers
- \$100m has been spent in R&D

James discussed the impact of cloud based software and improvements on making compliance easier and as such reducing such work for the bookkeeper.

This then leaves it open for the bookkeeper to get involved in more advice and installation/training roles. The interaction between BAS Agent and client is still very much required.

He advised that the impact means more frequent communication between the accountant and client and more remote bookkeeping by the BAS agent. 72% of MYOB users say this gives them a better relationship with their advisor.

James advised that there is a shift to fixed/value based bundling rather than the hourly rate and clients are liking this. He also reported there has been a big shift in conversions to MYOB from Xero and QBO with Xero clients returning back to MYOB with price being one of the reasons.

Highlights from the 2 Days

Partner Dashboard and Portal

This will be made available to Certified Consultants and appears to be a great tool allowing interaction between the client and CC for uploading/downloading of important documents such as BAS declarations and digital signing from a mobile device as well as the computer. Concerns ICB have with this is that they are not actually required to open the document prior to signing.

- Provides a single view of **all** your MYOB customers in one place
- Client portal allowing in-house access and storage of documents
- Filtering by product
- Filter by desktop or online
- Can upgrade a product via dashboard instead of having to login to file or my.MYOB
- Ability to refer clients from dashboard
- Contact information is available from within dashboard
- Allocation of tasks to client – ability for them to deal with on mobile device
- Digital signing
- Ability to store client's documents

SuperStream Solutions

MPowered Super is not compliant for SuperStream. **However** this has been approved by the ATO for customers to use for 20+ employees up to June 2016.

Pay Super has been available as the SuperStream solution for AccountRight live customers but unless clients were prepared to upgrade this cannot be used for AccountRight V19, Edge and Premier users.

A new solution has been developed but must have minimum V19.11

Customers can now access the Superannuation Portal where they can upload their super details. They upload a contribution file from their software which then develops a csv file with all the relevant data that can then be sent to your super funds. SMSFs yet to come.

Bank Feeds AR2015

If you have user access to banking you can now access bank feeds without administrator access.

Ondeck - Small Loans

Ondeck is a US setup that allows businesses easy access to small unsecured business loans to business. MYOB will be bringing this into Australia and offering it to their customer base.

Improvements in Customer Services

Enhancements have resulted in call waiting time being reduced by more than half. We are told that the average answer time is now around 3 minutes. The online support has also been greatly improved.

Investment in more Tools for Partners

The intent is to refresh the partner program, change how the program works and provide more tools.

- Online visibility
- Social tools – too help promote the partner
- Sending out a help guide for online promotions which includes:
 - Geographical searching for a consultant
 - Content availability for partners to use on their own website
 - Blogs – that can be used by partners on their website

Essentials Updates

Changes to invoicing:

- Can now customise invoices
- Have 2 choices of where to place logo and whether as a banner or a box
- Able to choose logo size

“On The Go” update

- Access to emails, phone details and maps from within the app
 - Invoicing – advise received when invoice has been viewed. This allows tracking of no of times sent and view (Great for debt collection – no more “I never received it” Good audit log
 - Forms assigned to a client will come across automatically otherwise default will apply.
 - Now have “tap and pay” ability for cash transactions
 - Are able to refund from within the app

Essentials Roadmap

- Enhanced reporting – entitlements etc
- Enhanced work flow
- Improved user controls
- Use of tracking codes (jobs)
- Able to add 1 or more attachments in emailing

Q2 Improved banking

Q3 Ability to “Trial” bank feeds prior to subscription

Q4 Improved Bank Rules

Q4 Invoice Tracking

2016 Online Invoice payment

2016 Budgeting, recurring transactions

Essentials now has a sample file help.myob.com

AccountRight Live What’s New?

- Receive payments screen now refreshes
- Preferences now open without having to close open screens down
- Reports now come to the front not sent to the back
- Filter and define remittances by supplier and can change email within screen
- Smaller updates so not impacted by long waits while file updates

Now have free conversions from other software

Q1 (2016)

Email Option. Ability to change email from outlook to equivalent of Gmail (only online files)

Q4 (2015)

Pay direct Online

Ability to pay invoice online

Option to view invoice online or attach as a PDF

Q4 (2015)

Invoice Tracking

Ability to see when an invoice has been opened, viewed, sent and paid

Payroll and payment gateways are coming

Q2 (2105)

Easier Upgrade

Q2 (2015)

Easier Collaboration

Q3-4 (2015)

Improvement in speed, work flow etc

Q1 (2016)

Online Email

2016

Multi-currency

Smart Receipts (links your bank feeds to your spend money)

Negative inventory

SBR

Online BAS Lodgement, TFN and Payment summaries

Smart Bills

Enhancements being done to smart bills to improve OCR

Payroll and payment gateways are coming

Partnership / Trust Distribution Setup

This actually isn't new but, not many people are aware of it. You can actually set up the Profit and Loss distribution for a partnership or trust. You can enter the percentage each partner or trustee gets and the figures will then move from current year earnings (which will be \$0) to the account you have set up for the partners/trustees and distribute according to percentage. At rollover it rolls the accounts over so the retained earnings are reflected in the partner/trustee accounts and shown as \$0 in the standard retained earning account.

The distribution amounts are shown at the bottom of the P&L.

MYOB Advanced

More people using MYOB Advanced. Offers:

- Complex work flow / inventory
- Multi-currency
- Greater customisation

AccountRight Premier

Committing to building in multi-currency in 2016 – no date given

Account Edge

MYOB have release new partner edition to allow windows based partners to work on Account Edge. Still no payroll functionality.

New features:

- New departmental accounting
 - Ability to assign at transaction line
 - Can set a default within cards
 - Commission tracking
 - Ability to set up commission basis within employee card and then report on commission due. Can have more than one commission base setup.
 - Manually pay according to report
 - Doesn't show on balance sheet or P&L reports, it is a payroll reporting function only
 - Item variation in inventory – eg: Item Shirt – can be varied to colour, size and style
 - Combine items
 - Serial number tracking
 - Set warranty period
 - Bank rules
 - Creation of a true credit note. No negative sale. Click on credit note and fill in credit due.
 - Mobile application – available but messy; it integrates via Dropbox and will bring across sales, activity slips, spend money. Has an option to do mileage slips within the mobile phone app.

MYOB have advised that they will be continuing to invest and enhance Account Edge however they are recommending new customers to Essentials. They have no intention of developing and there is no conversion compatibility to other platforms.

Edge is unlikely to go to the cloud.

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MYOB Speed and Performance Tips



MYOB have updated their information on how to get the most out of AccountRight. The latest release is better able to handle interruptions from virus scanning software and temporary internet issues.

[See this link](#) for details on maximising speed and performance.

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From the ATO

ATO Future of the Tax Profession Working Group

From the ATO;

ICB is a member of this high level consulting forum with the ATO.

To ensure that we (the ATO) are effectively managing and covering all aspects of the upcoming changes, the 'Future of the Tax Profession working group' was formed in September 2014.

The working group includes representatives from across your profession and community including professional associations, software developers, the Tax Practitioners Board, tax agents, BAS agents and the ATO. We co-chair these meetings with your professional associations. Currently, the working group is focusing on two distinct areas:

- how to successfully manage and support you through the changes during 2015–16
- what the tax profession will look in 2020.

Collectively, the working group acknowledges that you and your peers need more certainty about the upcoming changes. Based on this feedback, we are and will continue to support you by providing you with up-to-date information, so you can prepare for the changes, and in some cases consider what this may mean for your future business model.

We are also working closely with the working group and your software providers to ensure implementation, plans and changes to your practice management software are coordinated to prevent issues from occurring. We are:

- making specifications available to your software provider so they can build forms and services into their SBR-enabled practice management software. Software providers are building forms in their test environments to identify any potential issues before releasing them
- working with software providers to explore new and different ways to make it easier for you to authenticate through your practice management software.

Further reading:

- [ATO – The Future of the Tax Profession](#)

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ATO Guidelines on Contacting Clients of Registered Agents

The ATO has Updated their Guidelines on Contacting Clients of Tax or BAS Agents.

All ATO initiated correspondence should comply to a set procedure.



From the ATO: *“Registered agents play a vital role in influencing the willing participation of their clients in the tax and superannuation systems. These guidelines recognise the role of the registered agent as the taxpayer’s appointed representative to support them with their tax and superannuation affairs”.*

The guidelines have been revised in consultation with the ATO Tax Practitioner Forum with the aims of ensuring recognition of the role of registered agents, education and compliance of taxpayers, and a more streamlined approach to ATO initiated contact.

Where a taxpayer is represented by a registered agent, correspondence will be sent to the listed address - often that of the agent.

Note that these guidelines do not apply to correspondence in reply to taxpayer initiated contact.

What does it mean for Registered Agents?

When the ATO contacts a taxpayer directly, the agent must be informed by the ATO **at least one week** before the correspondence is sent, detailing the title of the document, the purpose of the communication, the name/s of the taxpayer/s involved, whether any action is required of either the taxpayer or the agent, and the required time frame or key dates involved.

If you receive this kind of communication from the ATO about a client, you can notify the client of what to expect when the ATO contacts them directly.

Situations where the ATO may contact the taxpayer directly **without informing the agent**:

- Educational information not requiring action
- Marketing and research
- Previous letter to the registered agent on the same issue has not resulted in action—therefore the ATO will send the same request directly to the taxpayer



- Legal documents required by law to be served personally on a taxpayer
- Large business taxpayers where there is an administrative arrangement in place with a key client manager
- The registered agent has formally notified the ATO the client's preference for direct communication
- No evidence of a relationship with the registered agent for more than two years
- High risk situations, for example, where a taxpayer is suspected of serious non-compliance or fraud

When External Collection Agencies Contact Your Clients

Selected agencies have been authorised to attempt to secure payment for tax debt on behalf of the ATO. The debt is not sold to the agency - it remains a debt to the ATO. Once the debt has been referred to a mercantile agency (otherwise known as a debt collector or recovery service), they are responsible for the collection and monitoring of the debt.

The privacy and security of the customer's information is protected in accordance with Commonwealth privacy and security requirements while their account is with the collection agency. The agent only requires a minimum of personal information (including TFN) in order to collect the debt.

If the customer wants to discuss the debt, once it has been referred to the agency they must communicate directly with the mercantile agent, not the ATO.

Within 10 days of receiving the referred case from the ATO, the agency will issue a demand letter to the customer that is identified with a case ID number. The customer should wait to receive this letter and subsequent telephone call from the agent, before taking any action.

The ATO considers carefully before referring a tax debt to an agency, and each matter is assessed on a case by case basis - there are no blanket rules for when a tax debt will be referred to an agency.

However, most cases that are referred are smaller debts of \$25,000 and below - larger debts tend to be handled directly by the ATO.

Current Agencies Listed with the ATO

- Baycorp Collection Services Pty Ltd
- Dun & Bradstreet (Australia) Pty Ltd
- Probe Group Pty Ltd
- Recoveries Corporation

Interesting side note: a tax debt, (even if it is not paid), does not affect an individual's credit rating.

References

- [ICB - Security and Privacy](#)
- [ICB - ATO Payments and Debt Management](#)
- [ATO - Contacting You or Your Clients](#)
- [ATO - External Collection Agencies](#)
- [ATO - SMS and Email Activities](#)

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What does the ATO app mean for Bookkeepers?

The ATO app

If you're an individual taxpayer, small business owner or self-managed super fund trustee, you can access relevant tax and super information and tools in one place.

The ATO app feature list:

- log in to access ATO online services including myTax, to lodge your personal 2015 income tax return and track the progress of your return
- search for lost super
- calculate the amount of tax to withhold from salary and wage payments
- check an Australian business number (ABN) using ABN Lookup
- work out key dates and, depending on your device, set important reminders and alerts for tax and super obligations
- compare your performance against similar businesses in your industry and measure your business performance over time.
- record and manage your car trips, work-related expenses, gifts and donations and the cost of managing your tax affairs on the go using the *myDeductions* tool
- watch videos, access checklists and visit SMSF assist for other helpful information for SMSF trustees
- access a number of other useful tools and calculators.

myDeductions Tool

To save taxpayers time and help them keep their tax deductions organised, ATO have developed the *myDeductions* tool for the ATO app. Almost 10 million Australians claim over \$24 billion in deductions each year.

ATO states: The tool makes it easier and more convenient for individuals to keep their income tax related deductions all in one place. You can snap a quick photo of the receipt with *myDeductions* and then fill out the details later.

Individuals can use the *myDeductions* tool to:

- Capture and classify work-related expenses, gifts and donations or the cost of managing their tax affairs
- Store photographs of receipts
- Work-related car expenses – manage your car trips using point-to-point, odometer method or keep an electronic log book.
- Work-related travel expenses such as public transport, air travel and taxi fares, bridge and road tolls, parking fees, meal, accommodation and incidental expenses incurred while travelling for work.
- Work-related clothing, laundry and dry-cleaning expenses, for example protective clothing, uniforms, occupation-specific clothing, and laundering or dry-cleaning such clothing.
- Work-related self-education expenses such as costs of attending seminars, conferences or education workshops.
- Other work-related expenses such home office expenses (mobile phone, internet).
- Gifts and donations.
- Cost of managing your tax affairs.

myDeductions is for individuals claiming work-related expenses as an employee. It is not for small business owners, including sole traders.

[ATO myDeductions Tool](#)

The Small Business use of the App:

- Calculate the amount of tax to withhold from salary and wage payments
- Check an ABN using ABN Lookup
- Look at key dates and set reminders and alerts for tax and super obligations
- Work out if employees are eligible for superannuation guarantee and calculate super guarantee contributions
- Calculate fuel tax credit entitlements for activity statements
- Work out how best to pay off a tax or super debt.

The future promise: If clients use the tool, they will be able to upload their completed deductions to the ATO from July 2016. A summarised version of this data will be pre-populated through your tax agent software for the completion of their return.

ICB comment: This feature does not exist anywhere yet!

The ATO concept: Whether you lodge your own return or use a tax agent, you can use the *myDeductions* tool to keep your deductions records. Next year at tax time, you can upload the completed deductions to the ATO and ATO will pre-fill your individual income tax return. You can also share your deductions data via email.

ICB observations and view about the App:

- The records are currently stored ONLY on the phone
- None of the commercial tax return software is able to receive a transmission of information from the app, yet
- Just because you use the app does not mean you are any more entitled to the tax deduction
- It's the future
- It is the ATO version

Competitors:

- On the phone: The Accountant's App
- Receipt Bank
- Any other scan and store software

What does it mean for Bookkeepers?

We are advised that there are approximately 1million businesses that turnover less than \$75k. We see that simple tools like this may assist such businesses especially as they normally only do all their "compliance" work once a year. The "shoe box" is now a phone app.

For active businesses we don't see the app as being particularly relevant.

For bookkeepers: It's simplistic and the PAYG Withholding calculator is limited; I would not be solely relying on it for the tool to help you advise business.

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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 7th November 9.00pm AEDST	Sunday 8th November 9.00am AEDST
Saturday 5th December 9.00pm AEDST	Sunday 6th December 9.00am AEDST

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

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ICB Membership Statistics as at 30th September, 2015

5,050

3,048 Members maintain Fellow, Member, Associate, Affiliate and Educator membership.

ICB also has 22 Accredited Training Provider Members and 1,980 Student Members.

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ICB Supporters and Sponsors



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

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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

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.

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