



Institute of Certified Bookkeepers

Making you Count

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Bookkeepers helping Bookkeepers help Business

February 2016



News, views and things you need to know.

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Important News for You

- ICB Members Meeting Notice

Best Practice Bookkeeping

- Pre-Establishment Business Expenses

Other Things Happening in the World

- Secured Signing – Complete the Paperless Transition

From the ICB

- February 2016 eBrief, Customisable Newsletter for your Clients

ICB 2015 Survey: A Typical Bookkeeper Looks Like This

Commentary is based on responses received in the ICB 2015 survey.

What does a Typical 2015 Bookkeeper look like:

- Female
- Part time 25 hours per week
- Works on their own within 100km of a major city
- An ICB member
- A BAS Agent
- Has been in business for over 8 years
- More likely than not to be an MYOB partner and either already or considering being a Xero partner
- Working with software that either is online or has functions online
- Majority of work allows remote access; it might be all performed remotely
- Typically working with 17 different businesses
- Charging \$55/hr for Bookkeeping and \$64 for BAS work
- Most clients' work is still performed for an hourly rate with a trend/wish towards fixed fee/value priced billing
- Most help is received from software companies, ICB website and ICB support



The Population

The makeup of the bookkeeper population remains consistent

- 84% female
- Slightly younger with more people declaring they are between 30 and 40 years old
- 76% within 100kms of capital city
- 85% ICB members
- 89% BAS Agents and 89% of those will renew their registration "without a doubt"
- 88% have full ownership of the business
- Less than 5% have been in business for under a year, with an understandable trend of an increase in the number of businesses that have been in existence for over 15 years. The average lifespan of the business is between 8 and 15 years
- 70% are taking on more business clients

With minor differences, 20% of the population is in each of NSW, VIC, WA and QLD.

This year's survey results are influenced by 11% of responses from employee bookkeepers only working for the one business, compared to only 1% in 2014.

More of the respondents would "classify" themselves as BAS Agents - 45% (up 8%), compared to the term Bookkeeper - 27% (down 4%).

Less MYOB partners responded to the survey than last year, (48%), with more Xero partners responding than last year, (40%). There was an increase in those that are not a member of any other program or organisation (up to 25%).

The Bookkeepers Client Base

- 13% of bookkeepers had between one and five clients (down from 17%)
- 50% have less than 15 clients (same as last year)
- 88% have less than 60 Clients (down from 90%)

Benchmarking your Performance and Your Business

Hours worked per BAS period:

- Less people are working 40 to 50 hours per week in this period
- However the average overall has increased from 25.3 to 26.4 hours

Hours worked per **non** BAS period are about the same, at 22.5 hours compared to 23 last year.

There is a small increase in the number of businesses that a bookkeeper is working with: 17.2 compared to 16.8.

There is a very observable increase in the number of clients being accessed remotely. This is a trend we expected with less than 10% of bookkeepers doing all work on site, compared to 16% last year.

The Online Journey Continues

84% of businesses will allow their data online, (up from 67% and 50% in 2013, 42% in 2012).

96% of bookkeepers report new business comes from word of mouth referrals.

New business is also generated from the following (in order of response):

- Website 24% (same as last year)
- Software company directories 17% (same as last year)
- ICB Find a Bookkeeper 10% (up from 8%)
- Social media 10% (up from 9%)
- Local paper 6% (down from 7%)
- Yellow Pages 5% (down from 7%)

56% of bookkeepers report between 1 and 5 of their existing clients refer work to them, with only 13% saying they don't receive client referrals.

75% report that between 1 and 4 accounting firms refer work to them, with 19% saying they don't receive any work from accountants.

Engagement letters are used by 61% of bookkeepers. This positive increase, (up from 58% in 2015 and only 48% in 2014), is very encouraging and helps prevent any future problems.

19% are now using digital signatures at least some of the time.

75% of BASs are lodged electronically, with 50% by portal and 25% by GovReports.

Receiving Money

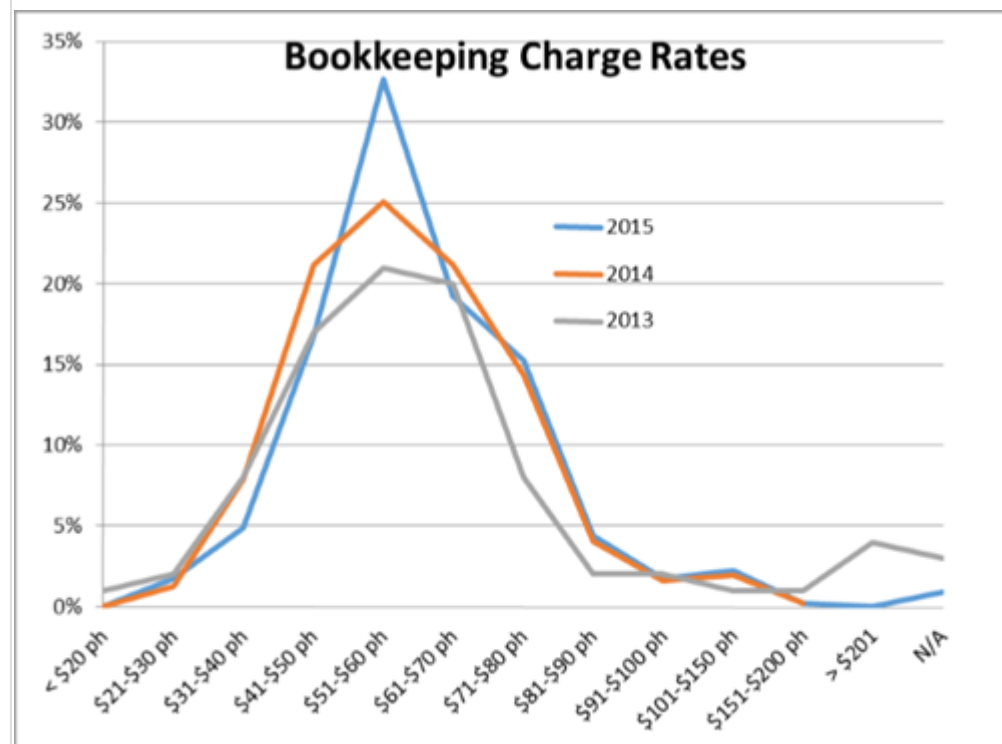
58% require payment within 7 days, with 25% requiring payment within 14 days.

Paying Money

The most common wage rate paid is \$21 to \$31 per hour, with contractors receiving only a marginally higher rate.

Charging Money

The average charge rate has concentrated between \$51 and \$60 per hour for bookkeeping. 33% charge in this range with slightly less people charging more but only 24% charging less (down from 30%).



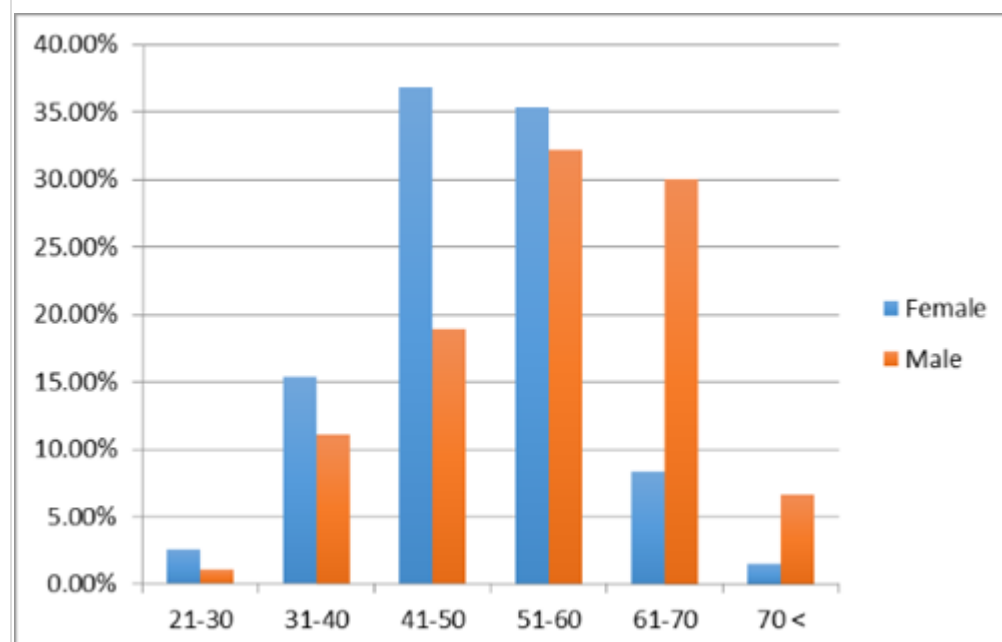
“High End, Trouble Shooting and Consulting” is reported to have dropped from an average of \$75 in 2014 to \$66 in 2015. However, “BAS Work” has risen from \$57 to \$64.

7% of responses indicate billing by fixed fee, with 3% indicating value pricing. 21% have a mixture between fixed fee and hourly rate charges. Note that **most** bookkeepers, (67%), still charge only on an hourly basis for time spent.

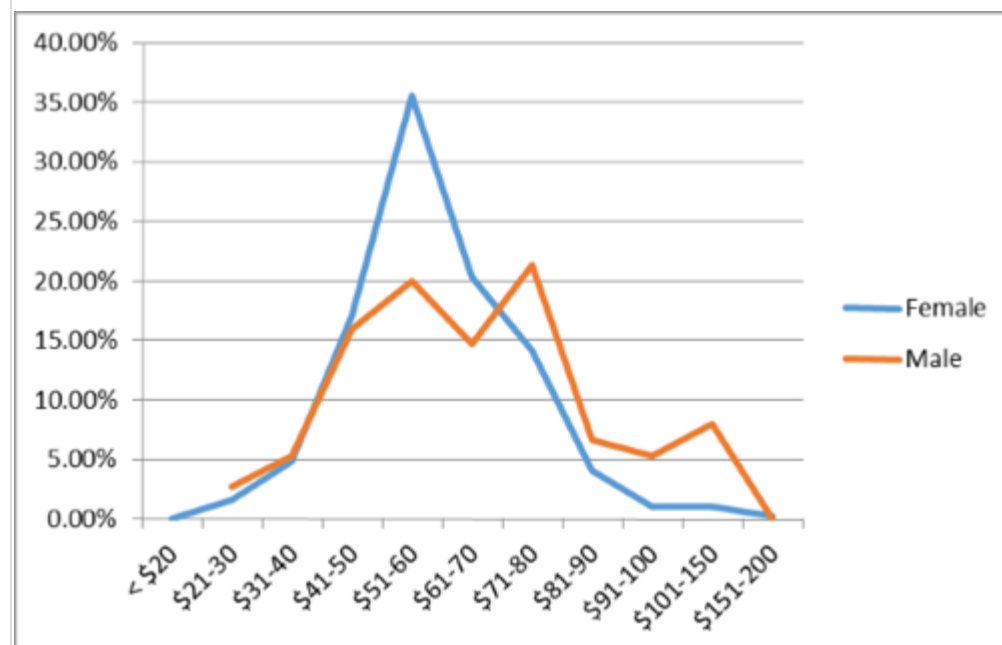
Males vs Females and Charge Rates

Males remain typically older than females (55yrs vs 48yrs).

Age of males vs females:



Males typically charge more than females:



Bookkeeping rates average at \$64 for females and \$70 for males. High end troubleshooting work averages at \$100 for females and \$115 for males. BAS services work average at \$78 for females and \$87 for males.

Why is it so? Check out previous discussion on this topic at [ICB - Men Charge More for Bookkeeping](#).

Making Money

38% report they are happy with the financial return of their business; 55% want better.

What are your Best Tools to Help in your Bookkeeping?

The ATO took a tumble with less people using the ATO website and less replying on the portal.

Software company support, ICB support and the ICB website have all increased in popularity, with a small increase in reliance on accountants reported.

The ATO phone app is being used by 16% compared to only 11% last year.

There are more bookkeeping businesses with full time employees and also more with full time contractors. Interestingly, there is a small downward trend in part-timers.

What's Happening with Software and Computerisation?

20% of bookkeepers indicated they have at least one client who was not computerised, (the 2014 survey had a lower 15%).

69% had at least one client on a desktop program that was not connected to the internet, (down from 76%) – therefore more are connected.

71% had at least one client on desktop that is connected to the internet (up from 69%).

73% had at least one client on browser based software (up from 68%).

70% of bookkeepers thought they had some clients that currently were not connected, that were still not going to change.

7% said that nearly all of their clients that weren't connected would become so.

43% thought that at least some of their non-connected or non-browser clients would move to browser-based software in the next 5 years; 14% said nearly all would move to browser-based software.

Which Software

In relative terms, the survey indicates bookkeepers use the following software for themselves:

- MYOB - 54% (down 5%)
- Xero - 29% (up 4%)
- Reckon - 10% (down 2%)
- Intuit QBO - 5% (up 3%)

Overall, software received a rating of 50% for “very satisfied” and 41% “satisfied”.

When considering the software used with clients:

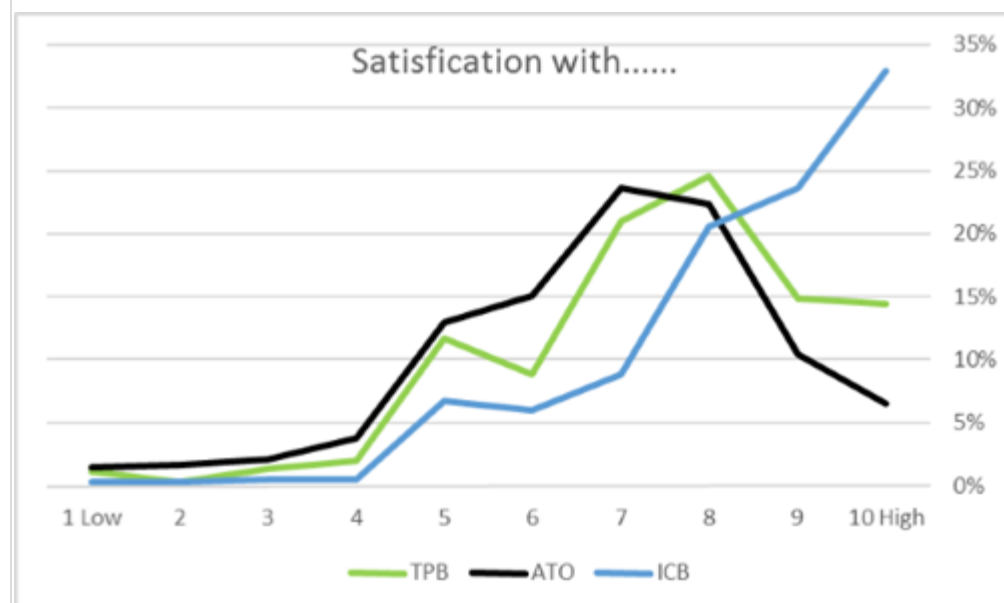
- MYOB - 35% (down 6%)
- Varies client to client - 32% (down 4%)
- Xero - 22% (up 8%)
- Reckon - 6% (same)
- Intuit QBO - 5% (up 3%)

Bookkeepers indicate that they are more comfortable with both:

- Remotely accessing software 82% (up from 71%)
- SuperStream Compliance at 51% (up from 33%)

75% of respondents are members of a software partner program with an overall rate of 75% for either “satisfied” or “very satisfied” with the program.

Satisfaction Rates



See this link for the full survey results: [ICB Bookkeepers Survey](#).

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FairWork Takes Action on Poor Advice

An Accountant is to be prosecuted for involvement in underpaying workers!

This sounds disastrous to all bookkeepers unless you look at the detail. This accountant was involved in the previous audit of this employer and had been involved in discussion with the FairWork Ombudsman (FWO) about appropriate pay rates.

Over the following couple of years the accounting firm “processed wage payments” that were **known** to be below the advised legal requirement. Our reading of the published information is that the accountant is accused that they knew they were underpaying workers.

The penalties are severe - Up to \$51,000 per instance.

What does this Mean for Bookkeepers who Process Payroll?

1. Are you engaged to provide HR advice?
2. Are you engaged to review and advise on pay rates?
or
3. Are you engaged to process the payroll based on information provided?

If the answer to 1 or 2 is “Yes”, then you **must** advise the business owner how to comply and ensure that any future payment that you are involved in is in accordance with that correct position.

If the answer to 1 and 2 is “No”, then:

- If you have concerns we recommend you raise the concern, in writing, with the owners
- If you have no reason to review or look at details, and your role is to process as instructed, then ensure this is in your engagement letter.

A Bookkeeper’s Strategy

1. Understand the minimum requirements under FairWork
2. Complete the HR Compliance Checklist and provide results to the business owner
3. Have a suite of conversation starters to engage the business with the issues
4. Check your PII policy covers you adequately for payroll processing and advice (The ICB / IME policy does!)

(ICB is developing more direct resources to put your services beyond question).

These strategies are being presented by David Bates from Workforce Guardian at the ICB conferences. ICB works with Workforce Guardian, following significant research in obtaining guaranteed and quality HR support for bookkeepers.

The FairWork Ombudsman’s Position is Blunt

“Small business relies heavily on trusted advisers, and if they give incorrect or bad advice, or deliberately assist with the contravention, should they not be held accountable? In situations where we believe accountants or other professionals knowingly facilitate contraventions of workplace laws, we are prepared to hold them to account.”

“We have been concerned about the role of key advisers, such as accountants and HR professionals, in some serious and deliberate contraventions,” says FairWork Ombudsman Natalie James.



We note that the FWO is empowered by their legislation which raises a key in the actual wording of section 550 of the FairWork Act 2009, which makes it expressly clear a bookkeeper could be held legally liable for an 'indirect omission'(!). That casts an extraordinarily wide net. We are unaware of any prosecutions of an 'indirect' omission, however.....

Your Defence

David has advised the following “defences” for bookkeepers, should they be challenged, (a view supported by ICB):

1. The Fair Work Ombudsman may challenge “advisors” even when it is not the advisor’s role to advise on HR. Being challenged is **not** the end of the world.
2. Only provide advice that you are confident and competent to provide. Best position would be to obtain written advice from an HR expert and to pass that onto the employer.
3. If the bookkeeper was able to produce written advice to the client warning them that the particular payment/conduct in question may be unlawful, then the bookkeeper would have a defensible position.
4. Ensure your engagement letter specifically describes your level of involvement and responsibility in terms of HR and payroll matters.
5. If you are being asked to process pays that would be illegal and you now know that to be the case, you need to walk away from that engagement.

Related References

- [FairWork Ombudsman - Accounting Firm Faces Court Media Release](#)
- [ICB - Awards and Payroll](#)
- [Workforce Guardian - HR Solutions](#)
- [Insurance Made Easy - PI Insurance](#)

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Last Call for Conference: Bookkeeping 2016



Agenda

ICB brings to you the significant issues, (and their solutions), in the world of a bookkeeper today. We look at what a bookkeeper could actually be doing in their life as a bookkeeper each day.

The agenda, is shaping into a series of solution “packages”, “kits” and “services” that you, the bookkeeper, could pick up and run with the day after the conference. Content will be presented to you in conjunction with the comprehensive manual, supported by additional web-based resources.

Keynote Includes:

- An update on Single Touch Payroll
- An introduction to the new eInvoicing initiative from Government
- What is the ATO doing through myGov, ATO online, the portals and what does it mean for us?
- SuperStream – today’s real story

Solving Bookkeeping Issues:

- All things directors: loans, super, payroll tax, dividends
- Issues around selling and buying a business – employees' entitlements, ABN, structure, debtors and creditors of the old and the new entity
- Debit loan accounts – why you can't just post to director's loans or drawings
- Improving the collection process of a business: ICB system of service for you to take to businesses



Practice Management

- How to manage your practice – things to have in place to manage a one person or several person practice
- Digital signatures, portals and dashboards: Where is it at and where are they going? What to use and what to expect?
- A practical look at what it means to offer fixed fees, value based or service based packages. Forget the concepts; this is how you would do it.

Developing Your Skill Sets

- FairWork: Techniques and Resources to Help Clients Meet their Minimum Legal Obligations (David Bates from Workforce Guardian)
- Materiality - a bookkeeper's approach to making "Materiality" judgements - when should we worry about the little amounts

Bookkeepers' Debate

- What to do about clients not paying
- Dealing with difficult clients
- I don't want to do fixed fees
- Accountants taking my work

The Professional World of the Bookkeeper

- What has happened this year?
- What is likely to happen next year?
- What the ICB 2015 survey said about you and to you

Pricing

Membership Level	Price
Full Members	\$297.00
Students / Educators	\$297.00
Non Member	\$396.00

Registration

To register for the conference, please click the location you wish to attend.

Locations		
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

Presenters

ICB Team: Matthew Addison, Rick Van Dyk, Chris McComb, Amanda Linton, John Birse as well as a selection of experienced bookkeepers.

Guest Speaker: David Bates from Workforce Guardian

Timing

- 9.00 am registration for a 9.30 am session start
- Tea and coffee on arrival
- Morning, afternoon tea and lunch will be provided
- Conference concludes at approximately 4:00 pm

Special Dietary Requirements

At the time of booking your place for the conference, we ask that you also note any special dietary requirements you might have. Prior to the actual conference, we do need to provide the venue with any special requirements so they can be catered for. **We cannot guarantee your special requirements will be fulfilled within 7 days prior to event.**

Members Meeting

The ICB Members meeting will be incorporated in each of the 9 locations. ICB will present an update on the Bookkeeping Profession and ICB's contribution to the development of the community. All meeting material (the finances, the operations report, the accomplishments and the future) will be made available prior to the Conference for clarification and acceptance on the day.

Members are invited to submit any items for discussion at the meeting to simone@icb.org.au.

ICB Members

- Cancellations received more than 14 days from the day of the event - Refund of \$125 and manual will be posted
- Cancellations received within 14 days of the event - No refund. Access to all conference resources online post Conference. If hard copy of the Manual required, can purchase online and it will be posted
- Notification of cancellation must be confirmed via email and received prior to the event

Non ICB Members

- Cancellations received more than 14 days from the day of the event - Refund of \$125 applies
- Cancellations received within 14 days of the event - No refund
- Notification of cancellation must be confirmed via email and received prior to the event

Please note: You will receive 5.5 hours of CPE for ICB and 4.5 hours of CPE for TPB purposes.

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

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Best Practice Bookkeeping

Selecting Software

Selecting Accounting Software for Your Business and Clients



Off the top of your head, you can probably name four or five brands of software that you think might be relevant. We currently know of about 15 products that would be viable business accounting products for an Australian business. We know of about 50 others that are headed your way. We field phone calls pretty much on a weekly basis from another developer that is bringing the next piece of software that does all the bookkeeping.

The Real Issue - What Does This Particular Bit of Software do?

Even with the existing well-known and well-used providers of accounting software that is in our space, a real assessment should be done based on the needs of the business - it is not enough to swap just because of price or just because the accountant wants the owner to swap.

- It isn't just about the face-value cost but a real cost comparison should be performed in relation to the functionality provided.
- Does this proposed new software do everything that I am doing in the existing software?
- Does this proposed new software remove two or three of the other solutions I am using?
- Does this piece of software require another "add-on" product to provide the solution I need?



As advisers to business and as a significant user of the software, we should assist the business management to properly assess what is being sold to them.

What Support Exists for the Product?

Does the software company provide a useful help resource, support notes service on their website, if not also in the software? Do they have a call centre, or at least a rapidly responding email support system? Does the software demonstrate understanding of the Australian market, Australian business and the Australian compliance requirements? Is there a lively users' forum of some description where the community that uses the product can exchange ideas and feedback about the product?

Checklist for Selecting Software

What does the client need and does the software provide it?

This is a short checklist covering the features and functions that ICB believes are essential for business today. Check the complete [ICB Software Comparison Spreadsheet](#) for full details on possible features - the spreadsheet has hundreds of features listed.

Essential Features	Notes	Required Yes or No
The Basics		
GST coding of each transaction and automatic GST calculation according to Australian law		
GST default coding by account		
Reporting by GST code		
GST auditing process		
BAS preparation process		
Full general ledger reporting and ability to drill down into accounts		
Bank feeds (or for desktop software, ability to import a bank statement)		
Export any report to excel and PDF		
High standard of user access security		
Purchases		
Purchases/creditors/accounts payable ledger		
Batch payment process		
Electronic payment direct to bank or ABA file		
Automatic emailing of remittance advices		
Supplier detail transaction listings		
Taxable Payments Annual Report		

Sales

Sales/debtors/accounts receivable ledger		
Customisable tax invoices		
Ability to email invoices		
Customer statements		

Payroll

Superannuation choice form		
Ability to create both standard and one-off pay runs		
Batch payment process		
Email FairWork compliant payslips		
Calculate and report PAYGW and super liability		
Flexible reporting by employee or payroll category		
Calculates and reports leave accruals		
Payment summaries, including ETP payment summaries and EMPDUPE files		
Employee portal		

Other Functions to Consider

Compliant record retention for 7 years		
OCR (optical character recognition) functionality either within software or via integrated add-on		
Client portal		
Online payment options		
Ability to allocate all transactions to departments/jobs/categories		
Ability to attach documents to transactions		
Inventory management		
Ability to customise user dashboard		
Availability of software on mobile devices		

References

- [ICB - Software Comparison Spreadsheet](#)
- [Digital First - What is a Dashboard?](#)

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SuperStream for Directors

With the deadline for SuperStream compliance looming, we have had a number of queries relating to directors paying into self-managed super funds and whether they must be SuperStream compliant.

If a director is an employee of the company, and has his/her super paid into an SMSF, because the director and the SMSF are related party employers, this overrides the usual employer obligation for SuperStream compliance. These directors may pay into their own SMSF whenever they please.

However, if the director is an employee of the company and has his or her super paid into an APRA fund or retirement savings account, they must pay their superannuation obligations the same as for any other employee, and those contributions must be SuperStream compliant.

We are aware that many directors will pay themselves amounts of money throughout the year, without necessarily entering the payments through payroll. Then it is the bookkeeper that has to work out how to allocate the payments after the owner has seen their tax agent!

Best practice is to leave the payments unallocated through the year, until advice has been received from the tax agent as to the payment breakdown; there may be salary, superannuation guarantee, salary sacrifice to superannuation, fees, dividends or other payments.



References

- [ICB - SuperStream](#)
- [ICB - Superannuation Guarantee](#)
- [ATO - SMSF Related Parties](#)
- [ATO - SMSFs](#)

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BAS Agent World

BAS Agent Portal Dashboard is Here!

Tax Agents have had this facility for some months - we are happy to report that BAS Agents now also have access to this useful tool.



The dashboard tells you at a glance whether the portal is functioning normally or is experiencing problems. This is data sourced directly from ATO monitoring systems. For more information visit [Getting Started with the Dashboard](#).

The BAS Agent dashboard will only show functionality related to BAS services. If you are experiencing problems with accessing the portal, check the dashboard before blaming the ATO.

About the dashboard

The dashboard will tell you at a glance whether the portal is functioning normally or is experiencing problems. For more information visit [Getting Started with the Dashboard](#)¹.



1. **Login** – log in to the portal.
2. **Refreshed about x minutes ago** – indicates the last time this page was refreshed. You will need to refresh your screen to have the most up to date information.
3. **Question marks** – hover or click on the question mark to see an explanation of that item.
4. **Blue arrow** – click to view the definition of the current status.

A traffic light system is used to show the overall performance of the relevant portal.

The dashboard colour will change when the number of error messages or slow responses experienced by portal users is above the defined threshold. A number of users will need to experience an error message or slow response before the dashboard will reflect the issue.

- **Operational** is green and indicates the portal is working with no known performance or availability issues detected.
- **Degraded performance** is yellow and indicates slow performance (ie, more than 30% of requests exceed a 5 second response time).
- **Partial outage** is orange and indicates you may have limited access or it is working intermittently (ie, portal login is unavailable to more than 5% of users, and other services are unavailable to more than 15% of users).
- **Major outage** is red and indicates unavailability.

The coloured bar up the top of the screen indicates the overall status of the portal – if the functions listed below are working, it will indicate green.

The dashboards highlight whether specific functions in the relevant portal are available or are experiencing performance issues.

References

- [ATO - BAS Agent Dashboard](#)
- [ATO - How do I use the Dashboard?](#)
- [ATO - Online Services](#)
- [ATO - Tax and BAS Agent Portal Technical Help](#)

BAS Agent Deferral Forms Have Changed Again...

New Deferral Application Forms Now Available



New deferral application forms are [now available for registered Tax Agents and BAS Agents](#). These forms make requesting deferrals for your clients easier.

The new forms are now in MS Excel to avoid version issues that were encountered with the previous PDF forms. They also include drop-down menus to help you complete the form with all the details needed, including timeframes. These features will prevent the forms from being submitted with incomplete details.

Note that while you can submit a form for a lodgement deferral, it is **not** automatic that this also extends the payment due date. **For a payment deferral, you will need to state and support this in your deferral request.**

(We fail to see how the client could pay on time if they have not yet authorised and lodged a statement...why isn't a payment extension automatically granted as part of the lodgement deferral process?)

There are now three deferral forms to choose from:

1. Agent Assessed Deferral - Previously known as Self-Assessed Lodgement Deferral

This replaces the previous process of advising the ATO for an automatic extension. This form is used when a short extension is required. For longer extension periods, use the ATO assessed deferral form below.

- Annual form - maximum 28 days extension
- Quarterly form - maximum 21 days extension
- Monthly form - maximum 14 days extension



2. ATO Assessed Deferral - Previously known as Request for Additional Time to Lodge

Use this option if your request:

- does not meet the agent assessed lodgement deferral criteria
- exceeds the agent assessed lodgement deferral timeframes
- is submitted after the lodgement due date
- is for exceptional or unforeseen circumstances beyond your or your client's control requiring a full explanation
- is for a second or subsequent deferral request for the same lodgement obligation
- includes a payment deferral
- is for a new or previous client with one or more income tax returns overdue (lodgement deferral for the current year only).

It may take the ATO up to 28 days to process the ATO assessed deferral request. Once the request has been processed and approved, the new due date for the form will be displayed on the portal - you will not receive separate notification of acceptance of the request. The changed date is evidence of the acceptance.

3. Additional time to lodge for clients with overdue returns - for Tax Agents only

This is a new form and notifies the ATO of clients you may have taken on recently who have overdue returns. At first glance this is exciting news - but in fact it only available for **overdue income tax returns**, not for overdue activity statements.

Review of deferral decision form - this form allows you to request a review of decision where the ATO has varied or declined your deferral request.

Submitting the Form

All forms must be lodged via your BAS Agent portal.

You must submit the form via the mail facility in the portal. See the ICB resource on [Using the Mail Facility in the BAS Agent Portal](#) for detail on how to do this.

In brief, select Mail / New message / Subject - Activity Statement - then select from the available list, for example, Agent Assessed Deferral. You are then required to choose the client you are requesting on behalf of.

The ATO may Decline your Request

If they decline your request, you will receive notification through the BAS Agent Portal. Common reasons why deferral requests are declined:

- the information provided is insufficient - for example, stating 'staff issues' or 'director sick' is insufficient as this is not an unforeseen or exceptional circumstance
- the circumstances do not warrant a lodgement deferral, for example, a client not submitting their paper work on time is not an unforeseen or exceptional circumstance
- the applicant has not demonstrated how the circumstances have prevented lodgement by the due date
- the applicant has a record of late lodgements, including poor compliance with deferred due dates.

Failure to Lodge Penalty

We note that unfortunately **you may not request a deferral because your client has failed to submit their paperwork on time**. In this case, (which we know happens frequently), the business owner will simply have to pay the Failure to Lodge (FTL) penalty and take responsibility for the late lodgement.

The FTL penalty is \$180 per period of 28 days or part thereof that the document is overdue.

References

- [ATO - Agent Assessed Deferrals](#)
- [ATO - ATO Assessed Deferrals](#)
- [ATO - Additional Time to Lodge Overdue Returns](#)
- [ATO - About Lodgement Deferrals](#)
- [ATO - Failure to Lodge on Time Penalty](#)

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TPB Acts on Agent Failing to Take Reasonable Care

Tax Agent Fails to Take Reasonable Care in Ascertaining the State of Affairs of Taxpayers

A Tax Agent prepared and lodged a BAS on behalf of their client, claiming input tax credits that the client was not entitled to. The ATO disallowed the claims and imposed penalties for recklessness.

The TPB found that the Tax Agent had breached the Code of Professional Conduct by failing to:

- take reasonable care in ascertaining their client's state of affairs
- maintain knowledge and skills relevant to the tax agent services they provided to the client
- take reasonable care in applying the taxation laws correctly to the BAS prepared and lodged on behalf of the client.



The TPB suspended the Tax Agent for a period of six months and issued orders requiring the agent to complete and pass a course of education in relation to goods and services tax, trust law and property law.

AAT Affirmed TPB's Termination Decision

The AAT (Australian Appeals Tribunal) affirmed the TPB's decision to terminate a tax agent's registration on the grounds that they had ceased to meet the requirement to be a fit and proper person.




The TPB had found that the Tax Agent was not a fit and proper person due to their failure to comply with TPB orders to successfully complete a course of education / training on the Code of Professional Conduct and comply with their undertaking to bring their personal tax obligations up to date.

In affirming the TPB's decision, the AAT:

- rejected the agent's claims that the failures to lodge returns on time were due to errors made by the ATO
- found that the failures by the agent to lodge more than 40 tax returns on-time over a period of seven years and undertake the further education and training ordered by the TPB supports the conclusion that he is not a fit and proper person
- held that the agent's failure to comply with the TPB's orders and lack of appreciation of the statutory obligations of a registered Tax Agent and the role of the TPB demonstrates that he is not a fit and proper person to be registered under the [Tax Agent Services Act 2009 \(TASA\)](#).

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This Month From the ICB Continued Professional Education Webpage

ICB Events and Webinars	Classroom	Online
<p>ICB 2016 Conference Nationally, March 2016</p> 	<p>Xero Roadshow 2016 Multi-Locations Multi-Dates</p> <p>Certificate in Reckon Accounts Classroom, Perth, WA 2nd and 3rd March, 2016</p> <p>Intuit QuickBooks Online Roadshow 2016 Multi-Locations Multi-Dates</p> <p>MYOB 2016 Incite Multi-Locations Multi-Dates</p> <p>Sage One Bookkeeper Bootcamp Multi-Locations Multi-Dates</p> <p>GST & BAS Classroom, Perth, WA Multi-Dates</p> <p>2016 Reckon Roadshow Multi-Locations Multi-Dates</p> <p>Salary Packaging Classroom, Perth, WA Multi-Dates</p> 	<p>MYOB News Channel Online 4th March, 2016</p> <p>ATO Small Business Webinars Online Various Dates</p> 

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Question For You to Discuss This Month - Resignation and a Negative Leave Balance

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

An employee has resigned and has a negative leave balance of 38 hours. Also, he did not return to work after resigning, although he was expected to work the notice period out.

Can the employer withhold the equivalent of the leave owing? And can the employer also withhold 2 weeks' pay because of him not wanting to work the notice period?



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

Last month we asked you:

My client is setting up a vineyard. Are the vines considered to be a depreciable asset or are they cost of goods?

ICB's Response:

A vineyard is considered to be a primary producer. There are specific provisions the ATO makes for primary producers, and the ATO treats grape vines as a depreciable asset under the provisions for horticultural plants.

There are different depreciation rules for different kinds of plants. The "effective life" of plants has to be established before working out the depreciation rate. The ATO has determined the effective life of grape vines as being 15-20 years, which falls into the category of 13% annual write-off. The maximum write-off period for grape vines is therefore 7 years and 253 days.

The depreciation is based on the capital expenditure made in establishing the vines, but does not include the cost of the land itself or clearing the land. It could, however, include the cost of preparing the land for planting, (ploughing, fertilising, topsoil and so on) and planting the vines in addition to the cost of the vines themselves.

If the vines are sold to a new owner, the balance of the depreciation can be claimed by the new owner - so good asset records are essential. If sold, any proceeds are assessable income.

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Upcoming Network Meetings

Join a network meeting, 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 TBA	Online TBA			
ACT				
Canberra - Northside 16th March, 2016	Canberra - Phillip 12th April, 2016			
New South Wales				
Albury 4th March, 2016	Ballina 8th April, 2016	Balmain 21st March, 2016	Bathurst 17th May, 2016	Bellingen 21st March, 2016
Blue Mountains 2nd March, 2016	Brookvale 11th April, 2016	Central Coast TBA	Dubbo 17th March, 2016	Hawkesbury Region 22nd March, 2016
Hornsby 10th March, 2016	Moorebank 9th March, 2016	Newcastle 21st March, 2016	Newport TBA	Orange 17th March, 2016
Port Macquarie 9th March, 2016	Randwick - Bondi 8th March, 2016	Shoalhaven 4th April, 2016	Southern Highlands 21st March, 2016	Sutherland 16th March, 2016
Wollongong 16th March, 2016				
Queensland				
Atherton Tablelands 7th March, 2016	Brisbane North 8th March 2016	Brisbane South 15th March, 2016	Bundaberg 19th April, 2016	Burpengary 17th March, 2016
Cairns 4th March, 2016	Dalby 25th February, 2016	Gold Coast - AM 12th April, 2016	Gold Coast - PM 12th April, 2016	Hervey Bay 12th April, 2016
Ipswich 12th April, 2016	Logan 16th March, 2016	Moreton Bay 14th March, 2016	North Sunshine Coast 11th March, 2016	Sth Sunshine Coast 10th March, 2016
Toowoomba 18th March, 2016	Townsville 11th March, 2016			
South Australia				
Adelaide West 18th March, 2016	Mt Barker 17th March, 2016	Para Hills 16th March, 2016	South Adelaide 7th April, 2016	Unley 10th March, 2016
Victoria				
Bulleen 8th March, 2016	Burwood 6th April, 2016	Chadstone 7th March, 2016	Craigieburn 8th March, 2016	Docklands 15th April, 2016
Echuca 24th March, 2016	Frankston 10th March, 2016	Geelong 8th March, 2016	Lilydale 4th March, 2016	Macedon Ranges TBA
Mordialloc 8th March, 2016	Mt Waverley 8th March, 2016	Narre Warren 1st March, 2016	Point Cook 11th March, 2016	Sale 10th March, 2016
Warragul 9th March, 2016	Yarra Valley 18th March, 2016			
Western Australia				
Broome TBA	Bunbury 5th April, 2016	Busselton 26th February, 2016	Cockburn Central 16th March, 2016	Joondalup 21st March, 2016
Kalgoorlie 21st April, 2016	Melville 13th April, 2016	Noranda 16th March, 2016	Welshpool 15th March, 2016	
Tasmania			Northern Territory	
Hobart 18th March, 2016			Darwin 10th March, 2016	

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



What's New This Month?

Recent Resources, New and Updated

- [February 2016 Bookkeeping eBrief for your Clients](#)
- [December 2015 Members Newsletter Podcast](#)
- [February 2016 Network Meeting Webinar](#)

News Items

- [SuperStream Implementation](#)
- [ATO Web Chat Service](#)
- [Upcoming Portal Maintenance](#)
- [ICB 2015 Survey Results Released](#)
- [Directors and SuperStream](#)
- [Agent Fails to Take Reasonable Care](#)
- [Government Helps Us Advisors](#)
- [Simple BAS](#)
- [Your Voice as Bookkeepers](#)
- [2015 Financial Report](#)
- [SageOne Bookkeeper Bootcamp](#)
- [Statement of Review](#)
- [ATO Small Business Webinars](#)
- [2016 Reckon Roadshow](#)



ICB Q & A Space News

With more and more businesses using credit cards to manage payments while out and about, what happens to the reward points and how do you deal with this when the points are converted to 'cash' and this 'cash' is used as a payment on the card? One of our members has just that problem, have you dealt with this before? You can [assist with this problem here](#).

Have you ever walked into a new client and their accounting software is way out of date? Did that client use a software package different to what you use? How would you handle this one? We do have a member who is facing just this problem and if you can help her out, [click here](#).

And who does not like murky areas, right? One of our threads this month deals with the very grey area of a client who is not registered for GST but invoices others who are registered for GST, the query is how would the client show the amounts in their books if they cannot create a valid invoice, [what would you do?](#)

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

February 2016 eBrief Newsletter for Your Business

eBrief



The February 2016 Bookkeeping eBrief is now available for you to download.

- [February 2016 Bookkeeping eBrief Newsletter - PDF](#)

[Back copies](#) are available here.

"The best bookkeepers using the best resources".

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Products and Solutions

MYOB Roadshow Report

Highlights for 2015

- Listing on the stock exchange
- Greater investment in research and development, (over \$45 million)
- 3,500 app developers on board
- Won BRW Most Innovative Large company - award based on outcomes not money so a great achievement
- 165,000 calls with response rate less than 1 minute and 85% resolved with 1st call
- 47% growth with membership in Australia and NZ at 170,000 membership
- 16,000 SME using MYOB Portal - Not available to all yet
- MYOB have bought 30% of On Deck, a small business lender for cash flow. Helps businesses that struggle to get loans with banks, because they are a small business. This is a quicker and more efficient approach; funding can be approved by next day rather than the many weeks it can take with banks. They are a mainstream lender and currently have a partnership with Commonwealth Bank.



What's Happening in 2016

- BankLink moving online and will be able to show the stats of **all** your clients
- BankLink portal will become available to all
- BankLink dashboard made available to all
- Bankfeeds now include Amex feeds

- Ability to lodge BAS and tax via SBR within the software
- Free conversions from other software extended to EOY
- MYOB dashboard to be available to all; only AE/OE (accountants), have access at present
- Co-branded marketing is coming for partners
- Upgraded Essentials available now including:
 - Comparable reporting P & L etc. with graphs
 - Budgeting capability for any time period and multi budgets can be done
 - Exporting can be done to Excel or CSV file

What's Happening in 2017

New Partner Program

- Single partner registration based on entity rather than individual, but will have different streams available.
- Partner cost - Currently have access to \$8,000 worth of software. If a partner wants to continue that access there will be a charge - otherwise partnership will be free.
- Partner status program will be implemented - recognition for partners that are more active etc.

Certification Program

- Based on individuals, not business entity
- Will be cheaper when multiple individuals within organisation are certified

Connected Ledger

New program to replace Cash Book and easily upgraded to Essentials. Once started and can be upgraded by individual components such as payroll or debtors etc. as needed. Can be upgraded fully to all the MYOB products.

Pay Direct Online

- Online invoicing with an option to "Pay Now" allowing customers to pay immediately with their credit card.
- Once paid online, the payment is applied to the debtor.
- Log of what is happening available when you view the invoice.

Your Pay

- In beta testing at the moment
- Allows employees to complete their timesheets and submit their leave applications online and view their payslips online.

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Xero Roadshow Report

Xero Roadshow Report

Trent Innes gave the opening presentation, reporting that the roadshow has been to 21 locations with over 8,000 registrations. ICB attended the Melbourne event on Thursday 18th February, it being the largest and the last of their roadshows.

Xero's purpose continues to be to "provide beautiful software, provide advice and enable connections".



2015 Statistics

- Continued growth with over 262,000 subscriptions as at September 2015
- Over 600,000 subscriptions across 180 countries globally
- 40 million invoices were raised through Xero, with a total of over \$76 billion
- 32 million payments were made, with a total of over \$58 billion
- 500,000+ employees are paid per month via Xero, estimated 4-5% of PAYGW reporting in Australia
- 99.99% uptime - less than 15 minutes of unplanned downtime for the whole of 2015
- 19,000+ accountant and bookkeeper partners
- 450 add-ons (now called ecosystem partners)
- 50+ financial institutions, including NAB for in-software loan applications
- 200+ CSPs (cloud service providers) providing ecosystem integration
- Partner satisfaction survey - of 943 respondents, (486 accountants, 457 bookkeepers), 91% are “satisfied” or “very satisfied”

Highlights of 2015 Releases

- Two step authentication process for secure sign-in
- Automatic invoice reminders
- Global search function, now being used over 50,000 times every day
- E-signing
- Find and recode function
- Dropbox integration
- Linking of billable expenses to customers
- Termination payment improvements
- Improved contact view, activity stream and information, including Gmail integration
- Asset register, disposal and depreciation recording options improved
- Improved cash coding functionality
- Online payment options can be activated from within software

Technology Trends for 2016

- More automation
- Real time data analysis
- Tailored user experiences
- On-demand services
- Tighter security
- Advanced protection through digital authentication

Xero's Priorities for 2016

- Saving time through more automation
- Improving cash flow for small businesses - 50% of business in 2015 received payments in more than 30 days
- Faster processing time within Xero
- Unlocking the data within Xero for accurate insights and benchmarking
- Continuing to respond to partner feedback

90 Day Roadmap to June 2016

- Xero HQ will replace My Green Xero as a consolidated dashboard and portal for all clients
- Reminders and notifications on the dashboard, e.g. overdue BAS, waiting on signature; the dashboard will have a direct link to that client's file for ease of updating
- Xero HQ will show the next logical step in finalising an outstanding BAS; e.g., if there are still bank reconciliations to be done, the link will take you to that part of the file
- Dropbox integration enhancement - automatic folder creation for each client
- Consolidated losses schedule
- MYOB tax data conversion
- Better printing and reporting options including checklists, tax data mining; there will be custom columns and rows available in reports, with the ability to add formulas and blanks
- Implementation of ATO cloud authentication using Xero Auskey
- Xero Tax will be available at no extra cost, for all partners at Bronze level and above
- New activity statements in Xero Tax
- Practice Manager will be available at no extra cost for partners at Silver level and above
- Activity statement amendment
- Xero tax forms pre-filled from ATO data
- Working with ATO to deal with clients with outstanding lodgements from prior years
- Activity statement blank form template
- E-signing in activity statements
- Veda integration, offering credit reporting from within the software

In the Future...

- Partnering with Taxpayers Australia
- Assurance dashboard showing user activity, exceptions, manual entries, duplicate bank accounts, edited bank accounts, backdated invoices and bills

Education and Tools Highlights for 2015

- Xero U credits - changed system of continuing certification for partners, now based on acquiring 20 credits per year, through a variety of activities offered by Xero
- Xero champion - further training in using Xero
- Grow Your Practice program
- Xero uni day - further education opportunities the day before Xerocon

Education and Tools Plans for 2016

- Revamp partner certification to include e-learning modules; there will be 4 compulsory modules and other elective modules
- Xero Now - an easy way to stay up-to-date with all aspects of the product and add-ons
- Development of Grow Your Practice program
- Xero in the community - development of a module for Certificate IV qualification that focusses on Xero skills
- Portal to connect students to jobs
- End of Financial Year series of courses

Roadshow Offers

- Xero Tax - officially being offered for free from April, sign up now and you won't be billed for Feb or March.
- Free MYOB and Reckon conversions
- Free BankLink conversions
- Special ledger pricing for partners
- For those who attended the roadshow, complete the survey to receive a 30% off the Xerocon ticket price

Next Steps for Partners

- Get your own business on Xero
- Get your ATO client list on Xero
- Sign up for Xero Tax if eligible
- Use Workpapers to streamline client and practice management
- Use e-sign
- Use 2-step authentication process
- Make the most of the partner toolkit
- Make the most of the Education and Tools section
- Sign up for Xero Now to keep updated and gain certification credits
- Talk to your account manager
- Update your public profile

Summary

There was a genuine appreciation of the time, energy and feedback partners make to Xero. Several times through the day the point was made that they really listen to the ideas and feedback of partners and they do act on that information.

When you have a problem, (that you can't find the solution to in their help section), create a ticket from within your Xero subscription. These do get monitored and they assess the questions being asked and update their help instructions accordingly. Partners should also consider voting on features to assist Xero in looking at the priorities for future development.

40,000+ small business owners use the Xero website "Find a Xero Certified Advisor" - so there is potential work out there.

The importance of online security was a point made several times through the day - for those partners who have not yet activated the 2 step authentication process, do it now. It is easy, fast and increases security not only for yourself, but for your clients. Trent made the point that the weak link in online security is often the business owner - it is up to us to help educate the owners in staying safe and secure online. We also have the responsibility to take security seriously in our own practice, and using the 2 step process is a vital part of this.

The final session of the day was a panel made up of the "lead team": Trent Innes, Chris Ridd, Kevin Fitzgerald, Melanie Power, James Solomons, Time Wright and Bernie Hepburn. Questions were taken from the floor addressing various issues such as technology disruption, mobile work, education of partners and clients, how to assist business to thrive, as well as practical software matters asked by partners. The session was well-received - it is always appreciated when the users of the software are able to interact directly with the creators of the product.

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From the ATO

ATO Web Chat Service

Are you aware that the ATO has an after-hours web chat service?

This service is geared towards general information for small business owners; however it may be useful for bookkeepers and BAS agents seeking general information related to small business.

The service can help with general queries such as ABN, AUSkey, GST, BAS matters and payment arrangements.

Available from 3pm to 9pm (AEDST) Monday to Friday and 10am to 4pm (AEDST) Saturdays.

The ATO also offers a call-back service - a great way to avoid waiting in long queues on the phone. Use this online form: [Small Business Assist Call Back](#) to book a call. You can specify a preferred day and time within the following four days from the time you request the call back.

See [ATO - Small Business Assist Web Chat](#) for more detail and to access the web chat service.

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SuperStream Implementation - SMSFs Need an Electronic Service Address Now

Make sure your self-managed superannuation fund (SMSF) has an active electronic service address

All SMSFs now need to be able to receive SuperStream-compliant contributions.

To do this, your SMSF needs a bank account to receive the contributions, an active electronic service address to receive data associated with contributions, and an ABN.

As an SMSF trustee, you can get an active electronic service address from an SMSF messaging provider, or through your SMSF administrator, tax agent, accountant or bank. You may need to check it is active with your electronic service address provider before you give it to your employer.

An e-mail address is not an active electronic service address.

Make sure you only use an electronic service address where you have permission to do so from the provider.

If your SMSF’s electronic service address is not active, your super contributions may not reach your SMSF and might be redirected to your employer’s default fund.

If your SMSF does not have an active electronic service address, you can obtain one from an [SMSF messaging provider](#). You may also obtain one through your SMSF administrator, tax agent, accountant or bank.

Related References

- [ATO – SMSFs Ensure your Electronic Service Address is Active](#)
- [ICB - SuperStream](#)
- [ICB – Superannuation Guarantee](#)

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Upcoming Portal Maintenance

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

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

Scheduled Start Time	Scheduled End Time
Saturday 5th March 9.00pm AEDST	Sunday 6th March 9.00am AEDST
Saturday 2nd April 9.00pm AEDST	Sunday 3rd April 9.00am AEDST

For more details regarding portal maintenance, [click here](#).

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ICB Membership Statistics as at 31st January, 2016

5,668

3,221 Members maintain Fellow, Member, Associate, Affiliate and Educator membership.

ICB also has 19 Accredited Training Provider Members and 2,428 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.

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

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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