



Institute of Certified Bookkeepers

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Bookkeepers helping Bookkeepers helping Business

August 2016

News, views and things you need to know.

Welcome to the ICB's August 2016 Newsletter.



Contents

Important News

- 3 Global Bookkeeping Week 12th to 16th September

Best Practice Bookkeeping

- 3 Important Changes to Annual Leave

BAS Agent World

- 5 TPB Investigating Unregistered BAS Service Providers
- 5 TPAR When no ABN Quoted
- 6 GovReports - Live Client Update
- 8 What to do When you Know BAS is Going to be Late

Continued Professional Education

- 10 This Month From the ICB CPE Page

ICB Network Meetings

- 11 August 2016 Question of the Month - GST on Holiday Packages
- 11 July 2016 Question of the Month - Treatment of a Commission Payment - ICB's Response
- 12 Upcoming Network Meetings

Other Things Happening in the World

- 13 eInvoicing Update
- 14 ABS Statistics on Cloud Computing
- 15 Use of IT by Small Business
- 17 VAT vs GST

This Month From the ICB

- 17 What's New this Month from ICB
- 18 August 2016 eBrief - Business Newsletter

Products and Solutions

- 18 Reckon Professional Partner Profile
- 19 ICB at Xerocon
- 19 ICB at MYOB Partner Connect
- 19 MYOB Essentials Connected Ledger

From the ATO

- 22 Upcoming Portal Maintenance

ICB Membership Statistics

ICB Supporters and Sponsors

Additional Information for Members Only

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

Important News for You

- Bookkeepers Cyber Security Insurance - You are Protected!
- Expression of Interest for Cashflow for Small Business Pilot Program
- IME Insurance Changes Means no Change

Best Practice Bookkeeping

- Engagement Letter Template Updated
- Introduction to Not for Profit Organisations
- NFP Volunteers and Other Workers
- Payroll Tips for Commission Only Employees

Continued Professional Education

- ICB Technical Webinar - All Things Paylips
- ICB Technical Webinar - Revise and Amend BAS, TPAR and PSAR
- ICB Technical Webinar - Simpler BAS and Single Touch Payroll

From the ICB

- Global Bookkeeping Week Webinar
- August 2016 eBrief, Customisable Newsletter for your Clients

From the ATO

- Upcoming Portal Maintenance

Global Bookkeeping Week 12th to 16th September

On Wednesday 14th September, hundreds of thousands of bookkeepers across the globe will get together for a coffee or will simply take time out of their busy schedules to raise a cup to their profession.



Bookkeepers, make sure to tweet or post a photo of yourself raising a cup to your profession! Make sure you join in the fun by using the hashtag [#GlobalBookkeepingWeek](#) and tag us in your post, or if you are on [Facebook](#), make sure you also post it on our wall! We look forward to seeing your fun selfies and celebrating what it means to be a bookkeeper.

Don't forget, we are also holding an [exclusive webinar to ICB Members](#) held by Matthew Addison on the state of the Bookkeeping world in 2016 with an eye on 2017.

[RETURN TO TOP](#)

Best Practice Bookkeeping

Important Changes to Annual Leave

Important Changes to Annual Leave



A number of very important changes have recently been made by the Fair Work Commission to annual leave entitlements for employees covered by the Fair Work Act 2009.

It is now critical for your clients to familiarise themselves with these changes because:

- the changes are already in full legal effect
- non-compliance may result in prosecution and penalties, and
- existing annual leave policies and procedures may now need to be updated

The key changes are explained in detail for you below:

Cashing Out Annual Leave

For the first time, all Modern Award-covered employees are now able to cash-out a portion of their accrued annual leave. However, cashing-out is subject to four very strict rules which must always be followed:

1. Employees can only cash out a maximum of two weeks' annual leave every 12 months
2. An employee must always have a remaining balance of least 4 weeks after the cashing-out has been processed
3. Each agreement to cash-out annual leave must be recorded in writing, and
4. The amount paid to the employee must be no less than the amount they would have received had the leave been taken

Your clients should also note:

- Employees under 18 years of age will also need their parent / guardian to sign the cashing-out agreement, and
- Employers remain strictly prohibited from coercing or misleading employees into cashing-out their accrued annual leave.
- A small number of Modern Awards are still subject to variation to permit cashing-out of annual leave. Always check the applicable Award carefully.

Employees who are not covered by either a Modern Award or an Enterprise Agreement remain free to cash-out annual leave, subject to the separate rules imposed by section 94 of the *Fair Work Act 2009*. These rules are the same as those listed above, except that there is no restriction on the amount of annual leave which can be cashed-out in each 12 month period.

Excessive Annual Leave

Many clients find it difficult to effectively manage unwieldy annual leave balances. Fortunately, these latest changes by the Fair Work Commission now make it much easier to direct employees to take annual leave and thereby reduce – or eliminate - excessive leave balances.

Firstly, it's important to note the definition of 'excessive leave':

- If the employee is not a Shiftworker: 8 weeks' annual leave
- If the employee is a Shiftworker: 10 weeks' annual leave

Most – but not all – Modern Awards now contain a '*model directed leave term*'. This new clause will allow your client to direct an employee to take annual leave. As is the case with cashing-out of annual leave, very strict rules apply:

1. The employee and employer *must* firstly meet with one another and discuss ways of reducing the excessive leave balance. If they're unable to reach agreement on when or how annual leave should be taken, your client can then direct the employee to take some of their annual leave. This is referred to as 'directed annual leave'.
2. The directed annual leave period must begin:
 - no earlier than 8 weeks, and
 - no later than 1 year
from the date the annual leave direction is issued by your client
3. The directed annual leave period must be at least one week long, and
4. The employee must have at least six weeks of annual leave left after the directed leave period has been completed
5. Your client's direction **must not** be inconsistent with any leave arrangements already in place. This includes any annual leave policies or procedures which apply in their workplace
6. An employee may subsequently request annual leave despite your client's prior direction for it to be taken. If this happens, your client must disregard their previous direction when considering the employee's new annual leave request, and



If an employee has had an excessive leave balance for more than 6 months *and* your client has not issued a direction for the leave to be taken, the employee can unilaterally take some of their leave. In this situation the same rules as mentioned above for employer-directed leave will also apply.

Leave in Advance

Most Modern Awards now expressly allow your clients to provide their employees with annual leave in advance of that leave having been accrued by the employee.

Importantly, the new 'model clause' also expressly allows your client to deduct any subsequent 'annual leave debt' from the employee's final pay if their employment ends before their accrued annual leave has returned to a positive balance.

The following rules apply to annual leave provided in advance of accrual:

1. The mutual agreement must be recorded in writing
2. The agreement must confirm the amount of leave in advance being provided, the date when that period of leave will commence
3. The agreement must be signed by both the employer and the employee, as well as the employee's parent or guardian if they're under 18 years of age, and
4. A copy of the agreement must be kept in the employee's records

Payment for Annual Leave

A number of Modern Awards have historically required employees to be paid their full wage or salary in-full and up-front when they then begin a period of annual leave.

Most Modern Awards imposing this obligation have now been amended to allow employees who are paid via EFT to continue receiving their wage or salary payments 'as usual' during their period of annual leave.

For all Workforce Guardian guidance and advice, [click here](#).

[RETURN TO TOP](#)

BAS Agent World

TPB Investigating Unregistered BAS Service Providers

Message from the Chair, Greg Lewis

The TPB is now focussing attention on a new project to address unregistered BAS service providers. So far, over 1,000 online advertisements have been reviewed and many unregistered service providers have now amended or removed their advertisements.

In the second phase of the project, BAS agents who were registered during the transitional period but have not renewed are now being investigated.

We are providing an opportunity for you to provide information about unregistered entity behaviour that you may be aware of at TPBComplianceReferral@tpb.gov.au.

You can provide details of possible unregistered behaviour or references to advertisements that may be used to promote unregistered activity. This information can remain anonymous and will be included in our project.



BAS agent
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[RETURN TO TOP](#)

TPAR When no ABN Quoted

What to do if you have no ABN for contractors on TPAR report? We know many business owners pay their contractors without checking their ABN or GST registration status. Many are paid in full when they should have had 49% PAYG withheld for not quoting an ABN, but the business owner has not done this. Therefore, those contractors still need to be reported on the TPAR even if you don't have an ABN.

Your accounting software will allow the TPAR form to be generated without the ABN, if all other details are correct (i.e., address and name. Even if you don't know the address, enter a dummy address).

GovReports - if lodged with no ABN, it will lodge **but** with a warning.

From ATO TPAR form information, [click here for the full details](#).

ABN

The ABN should be the same as it appears on the payee's invoice. If no ABN is quoted, leave the boxes blank.

The form should include either the business name or individual name.

A reminder that contractors who have had no ABN withholding of 49% applied, or for contractors with a voluntary withholding agreement in place, these contractors are not required on the TPAR report. Contractors who have had PAYG tax withheld should be given the relevant payment summary. (Note that for contractors with no ABN withholding, the contractor can be reported on either the payment summary **or** the TPAR but not both).



Further Resources

- [ATO - PAYG payment summary – Withholding Where ABN not Quoted](#)
- [ATO - Business and Personal Services Income](#)

[RETURN TO TOP](#)

GovReports Live Client Update

Since Standard Business Reporting (SBR) was introduced, Tax and BAS agents, before preparing and lodging a form with the ATO, needed to add their clients first on the ATO portal and then separately to GovReports. This could be a cumbersome process especially if the ATO portal was not working.



GovReports Live Client Update is now available in its first iteration for all Tax and BAS Agent subscription accounts. This service is currently limited to **adding and deleting clients only**.

Other features are yet to be released by the ATO but will come online within GovReports as available:

- Update address
- Other contact details
- Banking details
- Running Balance Account details

To use this facility within GovReports, you must have already nominated GovReports as your SBR software provider.

To Nominate GovReports as Software Provider:

- In GR, go to Settings, ATO Nomination
- Generate Software ID
- Copy ID number
- Log in to ATO BAS Agent Portal
- Go To Access Manager and nominate software provider

- Nominate GovReports and enter ID
- Go Back to GovReports and tick Activate
- You will get confirmation that activation was successful

To Add a Client to GovReports and ATO

1. In GovReports, go to the 'My Clients' screen and select 'New'
2. Complete details of new client
3. Very Important - You must add ABN and TFN otherwise the information will not transmit to the ATO and you will not be able to access forms
4. Save

Add Client

Type: Non-Individual Individual

ABN: 001

TFN:

Don't have ABN & TFN

Entity / Organisation Name:

Organisation Type:

Trading Name:

Display Name:

Client Reference Number:
The last 4 characters in the client reference number must be digits

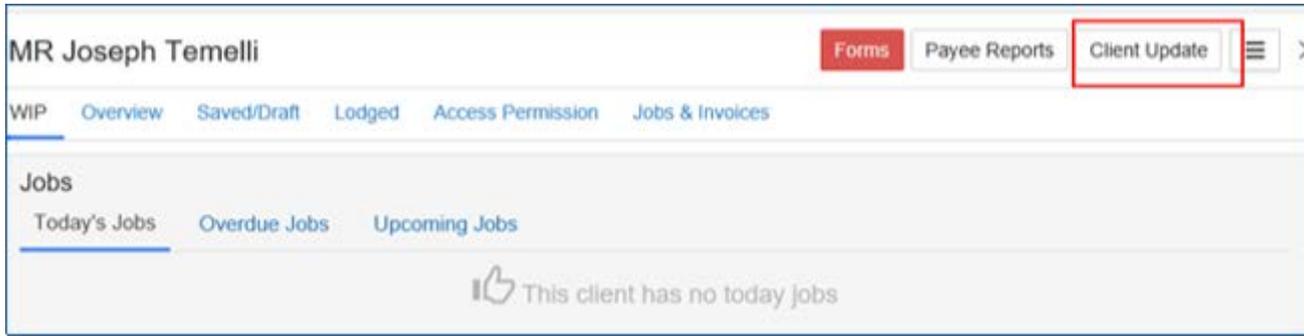
To Complete the Process in GovReports

You must now go to:

- My Clients
- Select client you have just added as per above steps
- Select Overview
- Select edit
- Add Primary Contact and Primary Address
- Save Changes

If you don't have the TFN or complete the second part, then you will have issues trying to lodge documents. This is an ATO requirement. When this is all completed you will be able to lodge forms without any reference to the ATO portal.

Client Update



The client update is now available on the client's detail screen. This screen updates the client details with the ATO. Further features such as the ability to update address or banking details will become available in the future.

ATO Client Update

Client Type	Individual
TFN	454 018 825
Contact Name	Mr Joseph Temelli
DOB	1/01/1955
Postal Address	110 Grandview Road WHEELERS HILL VIC 3150 Australia
Home Address	110 Grandview Road WHEELERS HILL VIC 3150 Australia

Activity Statement purposes
 Income Tax purposes

Related References

- [ICB - Nominate Your SBR Provider](#)
- [ICB - GovReports](#)
- [ICB - How to Use the BAS Agent Portal](#)

[RETURN TO TOP](#)

What to do When you Know BAS is Going to be Late

What should you do when you know the BAS is going to be late?

The Question

Just a query please, I've never had a client's BAS lodged late (only because I only have a couple of clients who are pretty good getting their info to me). Unfortunately due to my personal circumstances, I'm going to be pushing the boundaries with getting a couple of BAS lodged on time. This will mean that their payment will be late. Will the ATO penalise them? Should I contact ATO to advise so that they don't?

There are Several Aspects to the Answer:

1. Safe harbor provisions apply
2. Advise the ATO is good practice (don't hold your breath for a reply)

If the clients that are going to be late are significant payers, then we recommend making a part payment by the due date (a reasonable estimate). Especially if W amounts are known and it is just the G amounts to be clarified.

We note that the law states that extensions for lodgement are different than extensions for payment. In theory two separate processes and two sets of applications. We are working on this.

So, the statement that "Lodgement is more Important than Payment" is not correct.

A number of thoughts:

- Safe harbour provisions which are written into the law state that if the information is with the agent and it is the agent's fault then no penalty will be applied. Not to the client and not to the agent.
- The ATO and the TPB expect to see improvement in on-time lodgement performance however the law was negotiated and written to protect both you and your clients. Not to the client and not to the agent.
- If penalties are imposed then send a portal message to the ATO for the client seeking remission based in application of safe harbour.

We do have to retrain our clients to have their information to us in time. Noting [portal down time](#) doesn't help.

We also need to rethink our approach. If you have a portfolio of clients that make it very tough to complete a full review every quarter / month / BAS then is it time to plan a different work schedule.

Spread the client review load over the quarter. Maybe the larger client or the client with big ticket" material" claims back for input tax credits you spend a bit more time on for the actual BAS. But for the others maybe the system review and the transaction compliance review can be done during the quarter.

If their system is set up properly and capturing the information typically correctly then you lodge the BAS based in the system generated numbers. Do the technical review later and make any corrections in the next quarter. The law allows amendments later.

Thoughts?

When you need to apply for an extension: lodge the form on the portal. Then don't stress. Don't follow it up. As mentioned, agents and their clients are protected by law against penalties of late Lodgement or agent error.

Of course it is also relevant to think about how many clients can you competently prepare their BAS. Maybe you have too many needing detailed review.

I ask these for a bit of a feedback but also to generate some thinking and behaviour change.



[RETURN TO TOP](#)

This Month From the ICB Continued Professional Education Webpage

ICB Events and Webinars	Classroom	Online	Software Conferences
<p>ICB Global Bookkeeping Week Webinar Webinar, 16th September, 2016</p>	<p>Xero Accounting & Xero Payroll Classroom, Perth WA 6th September, 2016</p>	<p>SuperStream using MYOB Online Multi-Dates</p>	<p>Xerocon 2016 Brisbane, QLD 7th - 9th September, 2016</p>
<p>ICB Technical Webinar - Revise and Amend BAS, TPAR and PSAR Webinar, 20th September, 2016</p>	<p>Understanding Financial Reports - including Non Reporting entities Classroom, Balcatta, WA Multi-Dates</p>	<p>The Power of Calxa for Your Practice Online Multi-Dates</p>	<p>MYOB Partner Connect 2016 Multi-Locations September, 2016</p>
<p>ICB Technical Webinar - Payslips Webinar, 18th October, 2016</p>	<p>Budgets and Cashflow Management Classroom, Balcatta, WA Multi-Dates</p>	<p>Xero Now Webinars Online Multi-Dates</p>	
<p>ICB Technical Webinar - Simpler BAS and Single Touch Payroll Webinar, 15th November, 2016</p>	<p>Ask ACNC 2016 Classroom, Multi-Locations Multi-Dates</p>	<p>MYOB Training Courses/a> Online Multi-Dates</p>	
	<p>Reckon One Certification Classroom, Multi-Locations Multi-Dates</p>	<p>Xero Training Courses Online Multi-Dates</p>	
	<p>Learn Calxa in a Day Classroom, Perth, WA 13th October, 2016</p>	<p>Excel Training Courses Online Multi-Dates</p>	
	<p>TPB visits Sydney and Melbourne Multi-Locations Multi-Dates</p>	<p>MYOB News Channel Online Multi-Dates</p>	
	<p>Payroll Administration Course Classroom, Perth, WA Multi-Dates</p>	<p>TPB Webinars Online Multi-Dates</p>	
<p>Reckon Accredited Partner Training Days Multi-Locations Multi-Dates</p>	<p>Reckon Advanced Certificate Training Multi-Locations Multi-Dates</p>		

Question For You to Discuss This Month - GST on Holiday Packages

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

My client (a sole trader) sells holiday packages to overseas tourists. The packages include fishing boat charter, fishing equipment, meals, transport and accommodation in a privately owned holiday house, (he owns the house).

Should we charge GST on the whole package? Or only on the boat charter and prepared meals? Is the accommodation defined as commercial or residential?

He manages it himself, and leases to both individuals (without fishing packages), and to individuals as part of the package, nobody lives in the house when it is not being rented out to tourists.

What would your advice be?



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

Last month we asked you:

My client de-registered for GST in December 2015 but continued in business. In August, they sold the car that the company had bought while still registered for GST. Initially I thought they must pay back the proportion of the GST on the sale value received, but because they have de-registered I am not sure if this is correct. What should I do?

ICB's Response:

Technically the owner should have paid back the proportion of GST at the time of de-registering for GST. They should have done this increasing adjustment as part of their final BAS. They would have worked out the value of the vehicle at that time, in accordance with the depreciation schedule, and adjusted the GST accordingly.

Calculating the value of the vehicle at the time of cancelling registration for the purpose of ascertaining the GST adjustment value should be done by the tax agent.

If this has been picked up as an omission sometime after cancelling registration, you will need to advise the client and tax agent and ask for direction.

Advise the tax agent in writing and ask whether an adjustment should be done, and if so, ask them to advise the amount of adjustment and the basis for the calculation. If the tax agent advises no adjustment is needed, then follow that advice.

References

- [ICB - Cancelling GST and Other Tax Registrations](#)
- [ATO - Adjusting for Assets after Cancelling GST Registration](#)

[RETURN TO TOP](#)

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 - 12pm 9th September, 2016	Online - 5pm 12th September, 2016			
ACT				
Canberra - Northside 21st Sept, 2016	Canberra - Phillip 13th Sept, 2016			
New South Wales				
Albury TBA	Ballina 14th October, 2016	Balmain 19th Sept, 2016	Bathurst 20th Sept, 2016	Bellingen 19th Sept, 2016
Blue Mountains TBA	Brookvale 10th October, 2016	Central Coast 28th Sept, 2016	Dubbo 15th Sept, 2016	Hawkesbury Region 27th Sept, 2016
Hills Region (Rouse Hill) 21st Sept, 2016	Hornsby 8th Sept, 2016	Lower North Shore 19th Sept, 2016	Moorebank 12th October, 2016	Newcastle 12th Sept, 2016
Newport 18th October, 2016	Orange 15th Sept, 2016	Port Macquarie 30th August, 2016	Randwick - Bondi 14th Sept, 2016	Shoalhaven 12th Sept, 2016
Southern Highlands 12th Sept, 2016	Sutherland 21st Sept, 2016	Wollongong 14th Sept, 2016		
Queensland				
Atherton Tablelands 12th Sept, 2016	Brisbane North 13th Sept, 2016	Brisbane South 20th Sept, 2016	Bundaberg 18th October, 2016	Burpengary 20th Sept, 2016
Cairns 7th Sept, 2016	Dalby 29th Sept, 2016	Gold Coast - AM 13th Sept, 2016	Gold Coast - PM 13th Sept, 2016	Hervey Bay 18th October, 2016
Ipswich 13th Sept, 2016	Logan 21st Sept, 2016	Moreton Bay 12th Sept, 2016	Nth Sunshine Coast 9th Sept, 2016	Paddington 15th Sept, 2016
Sth Sunshine Coast 8th Sept, 2016	Toowoomba 16th Sept, 2016	Townsville 9th Sept, 2016		
South Australia				
Adelaide West 16th Sept, 2016	Mt Barker 13th Sept, 2016	Para Hills 14th Sept, 2016	South Adelaide 1st Sept, 2016	Unley 9th Sept, 2016
Victoria				
Brunswick 20th Sept, 2016	Bulleen 13th Sept, 2016	Burwood 7th Sept, 2016	Chadstone 15th Sept, 2016	Cobram 12th Sept, 2016
Craigieburn 13th Sept, 2016	Docklands 14th October, 2016	Echuca 15th Sept, 2016	Frankston 8th Sept, 2016	Geelong 13th Sept, 2016
Lilydale 23rd Sept, 2016	Macedon Ranges 18th October, 2016	Mordialloc 13th Sept, 2016	Mt Waverley 6th Sept, 2016	Narre Warren 6th Sept, 2016
Point Cook TBA	Sale 8th Sept, 2016	Warragul 7th Sept, 2016	Yarra Valley 9th Sept, 2016	

Western Australia				
Broome TBA	Bunbury 20th Sept, 2016	Busselton 23rd Sept, 2016	Cockburn Central 21st Sept, 2016	Joondalup 15th Sept, 2016
Kalgoorlie 20th October, 2016	Melville 14th Sept, 2016	Noranda 14th Sept, 2016	Welshpool 20th Sept, 2016	
Tasmania			Northern Territory	
Hobart 30th Sept, 2016	Launceston 15th Sept, 2016		Darwin 12th Sept, 2016	

These meeting 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

[RETURN TO TOP](#)

Other Things Happening in the World

eInvoicing Update

eInvoicing is a business and industry led development project, strongly supported by government, as a leap forward initiative to improve the efficiency of the economy.

Encompassing the digital agenda, eInvoicing sets the framework, creates the governance, enables the technical delivery of an electronic invoice from business to business and from business to government or visa versa. This is just today's beginning of the eInvoicing agenda with the whole procure-to-pay cycle (quotes, orders, invoices, delivery, payment) to be evolved.

The Digital Business Council was formed as a collaborative environment of interested parties to progress the thinking required to bring the different parts of the Australian economy together, the aim being to jointly develop an agreed framework that enabled eInvoicing. As of 27th July, software companies, professional associations, industry associations, government and payment gateways have approved the framework.

The progression of the eInvoicing initiative has led to the formalisation of the Digital Business Council Limited. The Institute of Certified Bookkeepers joins as a member with other not for profit associations COSBOA, ABSIA, APCA. CAANZ and AIIA. The initial business members are MYOB, Xero and Reckon.

References

- [ICB - What is eInvoicing?](#)
- [Digital Business Council](#)



[RETURN TO TOP](#)

Cloud Computing and Government Lodgement

Cloud computing is here to stay. Many industries have been transformed through the introduction of online technology and particularly mobile applications. The ABS survey indicates that the highest arena of online business functions is accounting and financial transactions, including invoicing, ordering, and communicating with customers.

Tradespeople and other businesses with mobile employees have found great benefits through mobile invoicing, payment options, timesheet entry and GSP tracking.

One of the biggest factors listed as **preventing** businesses in taking up cloud computing was a lack of knowledge. Bookkeepers, you can be the experts here in advising those clients who are reluctant to move online. You can educate your clients and expand their horizons about the technology available to assist them in running their business systems and accounting / financial systems efficiently.



Interesting Statistics

- 95% of all businesses as at 30 June 2014 had internet access. Of those, 99% access the internet via broadband, mostly by DSL connection.
- 19% of businesses use some kind of paid cloud computing service - mostly software subscriptions, followed by storage.
- 51.6% of businesses cite increased productivity as the main benefit of online computing services.
- Of all the types of business activities conducted online, by far the biggest category is financial activity. Following that category, remote work, research, and online training categories were significant.
- Of the financial transactions, 85.1% of business conducts a significant proportion of general accounting processes online. Invoicing and payroll follow closely.
- More than one in three businesses has a social media presence at 30 June 2015 - this could be Facebook, Twitter, LinkedIn or YouTube. Most use this technology for engaging with customers as the priority.

Electronic Lodgement with Government

We see more and more businesses lodging with government via electronic means. The mining industry has the highest level of electronic lodgement with government; they also have the highest level of lodging taxation forms.

Electronic Lodgement with Government Organisations by Employment Size (2013-2014)

		0-4 persons	5-19 persons	20-199 persons	200 or more persons	Total
Taxation forms	%	49.3	55.1	69.5	84.8	53
Claims for grants or benefits	%	4.1	8.4	16.8	35.6	6.7
Applications for licenses or permits	%	20.1	27.4	36.3	40.6	23.8
Payments	%	59.8	70.5	76.3	85.8	64.7
Other electronic lodgements	%	4.2	4.1	4.9	9.6	4.3
Any electronic lodgements with government organisations	%	75.6	83.1	91.2	97.7	79.3

References

- [Summary of IT Use and Innovation in Australian Business 2014-15](#)
- [Broadband Connection and Type of Business Internet Activities 2013-2014](#)

[RETURN TO TOP](#)

Use of IT by Small Business

As we are pushed to embrace the cloud and other internet delivery of programs it is worth noting the Australian Bureau of Statistics research into the business use of information technology.

The ABS survey indicates changes in the use of technology in general, but more specifically web presence, social media presence, internet commerce and other areas. Unsurprisingly, the trend is that all technology use is increasing in general.

Business is increasingly using the internet and technology in better ways to conduct their business. This further enforces our need as bookkeepers to utilise the best and most appropriate applications to assist our business owners to be efficient and embrace the internet in ways that work for them.

As bookkeepers, you must make an effort to keep abreast of developments in technology that can assist your clients. For example, you may be able to suggest timesheet or mobile invoicing applications to make a business owner's systems more efficient.



Business Use of Information Technology 2012-13 to 2014-15

		2012-13	2013-14	2014-15
Estimated number of businesses	'000	770	757	776
Businesses with internet access	%	92.6	94.7	94.8
Businesses with web presence	%	47.2	47.1	48.6
Businesses with social media presence	%	26.1	30.8	34.0
Businesses with broadband as main type of connection	%	99.6	99.2	99.2
Businesses which placed orders via the internet	%	53.4	56.0	55.7
Businesses which received orders via the internet	%	30.2	33.2	33.8
Internet income	\$b	246.4	266.8	285.5

- Proportions are of all businesses
- Business counts are provided for contextual information only, and the total may not sum to the total of components due to rounding.

Between 2013-14 and 2014-15, most key indicators of business use of information technology increased. The greatest change was in the proportion of businesses with a social media presence. This increased three percentage points to 34% between 2013-14 and 2014-15. The proportion of businesses that received orders via

the internet increased by one percentage point between 2013-14 and 2014-15 to 34%. The value of income derived from the sale of goods or services via the internet increased by 7%, from \$267 billion in 2013-14 to \$286 billion in 2014-15.

Business Use of Information Technology by Employment Size 2014-15

		0-4 persons	5-19 persons	20-199 persons	200 or more persons	Total
Estimated number of businesses	'000	468	249	55	4	776
Businesses with internet access	%	93.9	95.5	99.1	99.9	94.8
Businesses with web presence	%	38.9	59.4	79.5	91.2	48.6
Businesses with social media presence	%	25.0	45.1	56.8	71.0	34.0
Businesses with broadband as main type of connection	%	99.1	99.4	99.8	99.7	99.2
Businesses which placed orders via the internet	%	50.8	61.0	71.7	81.6	55.7
Businesses which received orders via the internet	%	29.9	39.5	39.8	49.6	33.8
Internet income (c)	\$b	^19.5	45.7	^62.0	158.3	285.5

- Proportions are of all businesses
- Business counts are provided for contextual information only, and the total may not sum to the total of components due to rounding.

References

- [Summary of IT use and Innovation in Australian Business 2014-15](#)
- [ABS - Cloud Computing and Government Lodgement](#)

[RETURN TO TOP](#)

VAT vs GST

The UK don't have it all that easy either!

We keep hearing how simple the NZ GST system is and how complicated the Australian system is. Just to give you some comfort that we aren't alone.... Did you know that in the UK.....

- You claim a different amount of VAT back for offstreet parking as compared to onstreet.
- If you hire a car for 10 days you claim 100% of the VAT back but if you hire for 11 you only get 50%.
- You can claim back 100% of VAT on fuel but then you have to pay a "VAT Fuel Scale Charge" to account for the private use.



Other points of difference

- In the UK you need a full tax invoice for purchases over 250pds (A\$500) – i.e., about 7 times our threshold, but you still need a receipt of some type (proof of payment)
- In the UK taxi drivers may not be VAT registered, in Australia they all have to be.

Concur state that it costs 50-60% less to process travel costs/claims/reimbursements for companies with an automated solution in place (which is their place in the market)

Further Reading

- [Expenses, VAT and HMRC Compliance in a Nutshell](#)
- [Best Practice Expenses Policy Template \(Concur\)](#)

Information derived from [Concur](#).

[RETURN TO TOP](#)

This Month From the ICB

What's New this Month from ICB

New and updated resources for August 2016

- [Paid Parental Leave](#)
- [Employment Termination Payments 2016-2017](#)
- [July 2016 Members Newsletter Podcast](#)
- [What is an Allowance?](#)
- [Long Service Leave](#)
- [What can a BAS Agent do?](#)
- [What is a BAS Service](#)



[Click here to view the latest news for the month.](#)

[ICB Q & A Space](#) - You can check out all the latest threads here. Feel free to ask your questions regarding any issue you may be having or if you require clarification, we are here to help. The [Latest Updates](#) lists all the topics in order of replies.

[RETURN TO TOP](#)



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

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

[Back copies are available here.](#)

"The best bookkeepers using the best resources".

[RETURN TO TOP](#)

Products and Solutions

Reckon Professional Partner Profile

Convincing her tradie clients to move their books onto the cloud wasn't easy for Stephanie Luck but as she explains here, they soon saw it as just another 'tool of the trade' to make their lives easier.

I work with a lot of small businesses, the majority being sole-trading tradespeople. As a sole trader and former small business owner myself, I understand how important it is to be flexible to the needs of customers, along with the time and financial restraints that come with being self-employed.

I have generally found that tradies don't tend to purchase a business as a going concern. They usually work as an employee, learn their trade and then decide to go solo. They are good at their trade but administration and accounts aren't generally high on their list of skills. Many think it's simply a case of invoicing the customer, the customer paying, collecting a few receipts along the way for what you spend, and that's about it as far as accounting goes.

It's not until they try and do their own BAS for the first time that they realise how time consuming and complex it is, and that's usually when I get a phone call.

Time is Money

For tradies, there is no admin time. If they're not on site with a customer or working on a customer's job, then they aren't making money. They know they have to get invoices out to be paid but the admin generally happens in the evening when they are at home with the family, or once the bank balance reaches danger levels.

As a bookkeeper, the hard part can be getting them to see the value of outsourcing their books. They tend to see an expense for something other than cost of goods as wasted money. I often find myself convincing them that their time is better spent doing what they're good at during the day, spending quality time with the family in the evening and getting a good night's sleep.

Convincing the Client

Attending the Reckon Roadshow in Coffs Harbour last year, I was struck by just how many of my tradie clients would benefit from moving from desktop accounting to the cloud. In the past, some of them couldn't justify the cost of accounting solutions but they desperately needed the time saving that was expected to come with it.



I found Reckon's online accounting software, Reckon One, to be the product that best suited my clients, as it's easy to use, affordable for sole traders and can be easily adapted to suit an individual business's needs. Nevertheless, some of my clients were hesitant to get on board this whole "modern technology thing", and many had genuine fears about how it would work for them.

For instance, changing the invoicing process was a big factor for some. My response was to show them how the software works, demonstrating how quickly and easily an invoice can be entered and emailed to the customer from the cloud. There were also concerns about internet access. Being in a regional area like Coffs Harbour, coverage has at times been unreliable.

I was able to explain to them that, with the combination of cellular data as well as fixed or wireless NBN or ADSL, inability to access the internet was unlikely to be an ongoing issue. It was generally agreed that the benefits of moving to the cloud far outweigh the risk of a major internet outage.

At the end of the day, I had to make them realise that cloud accounting was simply another 'tool of the trade' designed to make their lives easier; like using a nail gun instead of a hammer when building a house. Once they saw that it would save them time, paperwork and money, and that they only had to use the bits of the software that they actually needed, most agreed to 'give it a go'. And knowing that I could log in remotely to help them if they got stuck also put their minds at ease.

From Job Site to Virtual Office

The ability to send accurate invoices on the go has been one of the biggest advantages for my tradie clients. Being able to jump in the truck at the end of a job, enter the invoice via their phone or tablet and email it straight to the customer saves them massive amounts of time. They can also select preset tax codes when creating invoices, to automatically calculate GST and other taxes within Reckon One, adding discounts where applicable and setting payment terms to remind clients to settle their accounts by a due date.

One earthmoving client managed to shock a large corporation he had just finished doing some work for by sending his invoice through to them while he was still sitting in the middle of a State forest. He hadn't even floated his earthmoving equipment out yet!

In Control of the Business

Having my tradie clients on the cloud makes my job much easier, as well. Being able to marry up invoices with bank account data within Reckon One means I don't have to spend time trying to figure out who that coffee-stained invoice was made out to, or what date it was sent. I mark off the invoices paid via the bank feed download and, depending on the client, I let them know which of their customers is behind and they make the decision whether it's them or me who makes a follow-up call for payment.

The bank feeds also make tracking expenses much easier and help keep the accounts up to date. There is no more sifting through boxes of receipts and entering them one by one into a spreadsheet, or having to nag clients to download the account transactions to a csv for me. Transactions download automatically, I set up the transaction rules which automatically code to the right accounts and the end-of-month accounts take half an hour to complete instead of three hours.

Moving my clients onto the cloud has taken away the financial guessing game and allowed them to health-check their business within seconds. They can easily see which bills are due soon, when payments have been received and more. Having a transparent view of their business means they can see whether they're in a position to buy another work vehicle or put someone on to service demand when things get busy. It has also taken the stress out of the reporting process.

With the press of a button, clients can see the P&L and the balance sheet against defined comparison periods. The simplicity allows them to focus on what they do best while still having full control of their business.

[RETURN TO TOP](#)

ICB at Xerocon

ICB will be attending Xerocon on 8-9 September at Brisbane this year. Visit us at our stall and come and say Hi!

Hear from Matthew Addison, Executive of the Institute of Certified Bookkeepers Australia team on the ICB solutions and strategies for a Professional Approach on providing software consulting services and what the ATO are changing as we move to 2020 (Simpler BAS, Single Touch Payroll, death to the Portal, eInvoicing, ATO Dashboards) on Day Two at 12.15 pm.



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

[RETURN TO TOP](#)

ICB at MYOB Partner Connect

ICB will be attending MYOB Partner Connect in Gold Coast on 22 - 23 September. Come and visit us at the stall and say "Hi".

Business and technology never stop evolving, and Partner Connect 2016 puts you at the heart of the changes that help you succeed.

Hear directly from MYOB Product Managers about the upcoming functionality enhancements and gather ideas from your peers as they share their case studies and experiences.



Let's connect. See you there, [further details are available here.](#)

[RETURN TO TOP](#)

MYOB Essentials Connected Ledger

A lot has changed in MYOB Essentials since you last took a look.

A new Essentials version specifically for start-ups arrived (the accurately-named Essentials Accounting Starter), as well as a simple way for clients to get paid faster (with [PayDirect Online](#)). Not to mention the ongoing growth of the add-ons stable that plug in and extend Essentials.

Something you might have missed, though, was the launch of Essentials Connected Ledger. So what is it and why should you care?

The brand new entry level member of the Essentials family was built for the smallest of your clients.

Available only through MYOB Certified Consultants, bookkeepers, and accounting partners via the MYOB dashboard, Essentials Connected Ledger is perfect for managing trusts, shoebox clients and Excel users. What's so great about it? You get access to the best bank feeds and can manage client compliance more efficiently.

And you know how important accurate transactions are, right? This year our bank feed quality assurance process has caught thousands of errors from financial institutions **before** they hit your clients' software. That's why we can [guarantee the quality our bank feeds](#).

Best for quality

Our relationships with financial institutions and quality enhancements are unmatched. No missing data. No duplicates. No incorrect transactions.

That's the MYOB BankFeeds™ difference – quality you and your clients can rely on.



Of course being part of the MYOB Essentials family means there's a seamless upgrade (and downgrade) path for clients - from within the product.

It's important to know that the MYOB dashboard is where the magic happens. When you encounter a client who needs a simple solution so they can get on with the business of doing their business, you manage it all through the dashboard. And it's in that dashboard that you can refer a solution for pretty much any business you're likely to encounter.

- Looking for an online cashbook to manage your clients? It's **Essentials Connected Ledger** for them.
- A start-up? Only a handful of invoices per month? **Essentials Accounting Starter** is ideal.
- A small business with no employees? The classic **Essentials Accounting** was built for them.
- A small business with employees? Hello **Essentials Accounting with Payroll**.

Essentials Connected Ledger might be the smallest member of the family, but it packs a powerful transaction processing and compliance punch.

[Take another look at the Essentials range today.](#)

The screenshot shows the MYOB Essentials dashboard. At the top, there's a purple header with the MYOB logo and 'Essentials' text. Below the header, there are navigation tabs for 'Banking', 'Contacts', and 'Reports'. A progress bar indicates the setup process for a new client account, with four steps: 'Add account list' (completed), 'Fill out the settings' (step 2), 'Set up bank feeds' (step 3), and 'Invite your clients' (completed). Below the progress bar, there's a section for 'Bank transactions' with filters for 'Show', 'in', 'from', 'to', and 'with text'. A table header is visible at the bottom of the screenshot.

Date	Account	Description	Withdrawal	Deposit	Allocate or Match	Tax
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[RETURN TO TOP](#)

Upcoming Portal Maintenance

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.

Scheduled Start Time	Scheduled End Time
Saturday 3rd September 10.00pm AEST	Monday 5th September 0.00am AEST
Saturday 24th September 10.00pm AEST	Sunday 25th September 10.00am AEST

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

[RETURN TO TOP](#)

ICB Membership Statistics as at 31st July, 2016

6,626

3,452 Members maintain Fellow, Member, Associate, Affiliate and Educator membership.

ICB also has 21 Accredited Training Provider Members and 3,153 Student Members.

[RETURN TO TOP](#)

ICB Supporters and Sponsors



[RETURN TO TOP](#)

Please note that, in between newsletter issues, articles may be 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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