



Institute of Certified Bookkeepers

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Bookkeepers helping Bookkeepers helping Business

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Welcome to ICB's August 2017 Newsletter.



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Important News

- AUSid – Next Generation AUSkey?

Best Practice Bookkeeping

- Single Touch Payroll – Now for Everyone
- New Employee Guide
- Wine Equalisation Tax

Continued Professional Education

- Termination Workshop 2017 – Melbourne

From the ATO

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The Tax Professional of 2030

The Future of the Tax Profession

We believe that the Tax Economy comprises:

1. The ATO as the regulator
2. The Taxpayer as the tax paying participant (Consumer/Client)
3. The Tax Intermediary as the middleman providing tax expertise and knowledge to the taxpayer (for the purpose of this paper referred to as the Tax Professional (TP)).



The role of the tax intermediary is to provide the expertise and competent application of the tax laws and requirements to the circumstances of the taxpayer. They are not, like a lawyer, an officer of the court, but they are a representative and advisor to the taxpayer in their interactions with the ATO as regulator.

The role of the ATO should be primarily as regulator. To be the government agency responsible for application and enforcement of the tax laws. Part of this role includes the provision of information and understanding about the tax laws so that tax intermediaries can better understand the ATO view and assist taxpayers to meet their obligations.

The TP and the ATO should not consider themselves typically on opposite sides of a fight but each have a role in the tax ecosystem, with different perspectives in ensuring that the tax economy is performing appropriately. The perspective of the ATO is enhanced when working with, co-designing and collaborating on the application of the tax law to the economy. The perspective of the TP is enhanced when working with the ATO to be able to collaborate and be informed by the ATO. (This is not to imply that either side is necessarily always right or always wrong)

The tax economy continues to be serviced by an increasing range of technical solutions, software, or computer provided solutions. The ATO has now coined the term “Digital Service Providers” (DSPs) to define these entities. The role of Software Providers, be it commercial accounting products, tax preparation software or similar is not new, but with the advancement of technology (some applying the term of Artificial Intelligence) their role needs to be included as a component of, or a service to, the Tax Profession.

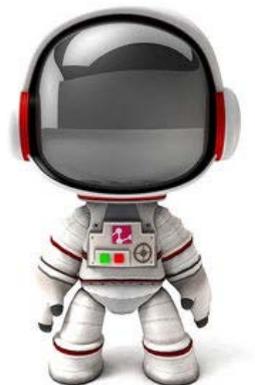
The ATO also has adopted the term “Tax Intermediary” to include:

- Tax Agents
- BAS Agents
- Tax Financial Advisors
- DSPs who provide a service in the tax economy
- Tax Professionals

The Tax Professional of 2030

“Anticipating the changes and planning ahead”

“Identify the significant changes ahead, aspects of the current system that should be retained and/or augmented, those that need to be discarded and the new strategies required to meet future challenges and realise the potential benefits.”



The changes we see on the horizon for the TP:

- Increased Connection
- Remote access
- Data is provided electronically
- Software analytics tools
- Better “knowledge” access services
- Global delivery
- Reduction in attractiveness of the current delivery of offshoring (reduced costs provided by offshore workforce replaced by computer techniques)
- TP time effectively used in certainty, assurance, strategic business improvement services
- A reallocation of a client’s budgeted spend between tasks

The TP of 2030 will:

- ▶ ***Require knowledge of the developing set of tools and also***
- ▶ ***Continue to develop their application of skill with those tools, in order to perform their role in the tax ecosphere.***

The Environment of 2030

Business will be digitally enabled, with financial transactions recorded or converted automatically into a digital form.

The TP will:

- be technically connected (remote and perpetual) to the Business Systems and Financial Systems of their clients.
- have access to a world wide web provided extensive set of comparative data and knowledge.
- have tools that enable automated; verification, validation, allocation and detection services.
- will have the expertise to use those tools effectively.

The Tools

- The tools providing verification services will automatically compare the business data to a third party record of the transaction therefore providing certainty of its existence. (Reconciled)
- The tools providing validation services will ensure that the transaction was authorized by the business and a valid reflection of the authorized transaction. (Legally conducted)
- Automated tools will allocate the data to a recommended or memorized “account” to provide the TP and the business with meaningful reports of the data.(Business Information)
- Detection tools will analyse the data and the reports, compare each piece of data to the businesses own history, parameters, setup but also compare the data to the world wide web provided set of comparative data. (Analysed)
- Detection tools include anomaly reporting as to size, nature, timing, allocation, own trend, economy trend, competitor trend, global trend. (Compared)
- Interpretive tools will apply the unique business circumstances, as reflected in the data, and provide contextual suggested impacts of the tax law to that data. (Application)

The Skill Set

The TP of 2030 will require the knowledge and expertise to know which tools it should be using for each unique business circumstances and for the unique manner in which each business is conducted.

The TP will need to have the knowledge to establish (or check) that the tool has been properly connected (established, set up, prescribed) to the business which is now connected. The TP will have additional tools to assist in determining correct connection and application of the tools connected to the business.

The expertise will then extend to being able to determine whether the tool has conducted the correct analysis of any piece of data and compared it to correct and appropriate comparison sets of data.

Benchmarking and analysis is not a new concept, however the skill remains in knowing how to benchmark and what to do with the results of any such comparison. Being able to assess that a benchmark analysis is correct (or in fact incorrect) and then interpreting the impact correctly remains a requirement.

The TP of 2030 will need to be analysing the output of this new set of enhanced tools. They will need to be determining whether the Reconciled, Legal, information that has been analysed, compared and interpreted; results in a correct application of the circumstances of the business and has produced a logical set of impact statements or recommendations. With the perspective of the TP, has the law been applied correctly? Has the law been considered correctly?

The same questions apply in 2030 as apply today; however, a new, comprehensive, analysis of better (and probably more extensive set of) business data compared to a far more easily and readily accessible worldwide set of information, requires that TP to continue to apply their expertise but in a different way.

Reference

- [Future of the Tax Profession](#)

NZBAI Joins ICB Global



We are pleased to announce that [ICB Global](#) and the [New Zealand Bookkeepers Association Incorporated \(NZBAI\)](#) have joined forces to support bookkeepers across New Zealand.

The NZBAI was founded six years ago, after a small number of bookkeepers saw the need for an association to support New Zealand bookkeepers. This association has since expanded, with a growing membership base of now over 600 NZ members.

The NZBAI's success can be attributed to its Executive Committee volunteering their services throughout the association's six years of operation. To continue this ongoing success and growth, the NZBAI is now seeking the support of ICB Global. The benefits of forming a Global Association are vast and ongoing, ranging from infrastructure, leverage, global partnership opportunities, ICB Benefits program, to mention a few.

ICB Global looks forward to working with the NZBAI team over the coming months to co-brand and migrate their membership management system and website. Similar to ICB Australia, the New Zealand Bookkeepers will remain being managed locally, with the NZ Executive continuing to drive and develop the NZ strategy.

- [ICB Global](#)
- [New Zealand Bookkeepers Association Incorporated](#)

Transparency of Associations - What Do You Want?

There is much media and now scrutiny being applied to professional associations. There have been many questions raised about when and how meetings are held; about the levels of remuneration and specifically about the governance and directors.

These are all important areas when wanting to understand whether the practices that are being undertaken are not only aligned to the Corporations Act, but within legal guidelines and possibly even more important the member expectations for each professional association.

The purpose of the Corporations Act is that it is the principal legislation for regulating companies in Australia. It entails such matters as the operation of companies, the structure, how the meetings are conducted (which is often in conjunction with a constitution if this has been adopted by the company). Some professional associations have constitutions that are outlined in conjunction with the Corporations Act.



So, What Does This Mean to You?

The Institute of Certified Bookkeepers Ltd is a member based, professional association formed as a company limited by guarantee.

For tax purposes we are a not-for-profit company (or non-profit company), meaning we are taxable, but due to the principle of mutuality all our member related activity is neither assessable nor taxable.

ICB is a Recognised BAS Agent Association: The ICB was advised Tuesday 18 May 2010, that the Tax Practitioner Board (TPB) has recognised ICB under the Tax Agent Services Laws.

To be a Recognised Association the TPB had to be satisfied that:

- ICB was properly managed and its internal rules enforced
- ICB has professional and ethical standards including:
 - ▶ 15 hours of continuing education required
 - ▶ members are of good fame, integrity and character
 - ▶ if in practice then the member has Professional Indemnity Insurance
- ICB has a satisfactory complaints handling and notifying process
- ICB is able to pay its debts as and when they fall due

There are other areas of the law and other requirements. The Tax Agent Services law allows the board to recognise associations as being representative of the agents which are now needing to be regulated.

By being a Recognised BAS Agent Association (RBAA), voting members of ICB are now recognised for their added commitment to be creditable and professional in the conduct of their business. At the time of registration, a voting member is only required to have 1000 hours relevant experience in the last 3 years (compared to 1400 hours for those not voting members of a RBAA).

The only other real consequence of being an RBAA is that the new laws more formally allow the TPB to work a little more closely with us in the recognition of education and training.

ICB is governed by a number of documents that are all available to you via the website

- [The Constitution](#)
- [The Policy & Philosophy Statement](#)
- [The vision for the next 10 years](#)
- [The Members Code of Conduct](#)

ICB provides information to its members constantly in a number of forms

- [All documents presented as part of the Annual Conference](#)
- [ICB Management Framework](#)
- [ICB Achievements for 2016](#)
- [ICB Objectives for 2017](#)
- [Your voice as Bookkeepers](#)
- [ICB High level budget for 2017](#)
- [How ICB communicates with you](#)

The annual members meeting was pre-advised at [2017 Members Meeting webpage](#) including the notice of the members meeting webinar.

Best Practice Approach for Associations

There is a certain set of legal standards that should be followed in running a professional association. The purpose of this is to provide you with the ability to be involved or to collaborate; gain transparency of what is happening within the association and know that it is being delivered with professional integrity.

A constructive way to view this is through “best practice” mentality. What would you expect and want from the association that you are part of?

Some of the most common themes in many professional associations cover some basic fundamentals across the board.

These include:

- Code of Ethics
- Education
- Transparency
- Continuous Development
- Adding Value

The purpose of the Code of Ethics is to present a guideline for behaving ethically, and taking responsibility for the profession. It is committing to achieving the best possible outcomes in delivery of services, and having processes in place that raise awareness in areas that will directly and indirectly impact you.

When thinking about best practices, it is to help you understand the values and conduct of the association; that it includes open and honest engagements with you – how effective such things as risk management are being upheld and whether it fulfils in protecting public interest; your interest.

The big focus on transparency is about you gaining this information easily, regularly and in a way that makes sense to you.

It is the professional association taking action to stay ahead, remain accountable, and provide ongoing support and value to its members. It is providing education to help you gain the most from being a member.

The more transparent, the more likely you are to feel that you are being heard and supported, and want to gain more from the professional association.

One of the most apparent and important factors to consider is the attitude and willingness to actively engage that provides the best transparency of all.

Members Involved in ICB

Members have open access to the team, management and directors of ICB. Formally this occurs through the Network meetings (a report is provided to ICB from each facilitator), Members’ meetings, webinars, and Advisory Board (a representative group of members interacting with the ICB team).

Where to From Here?

The recent events with CPA Australia have given rise to increased publicity and scrutiny on professional associations. The Inspector General of Taxation, Members of Parliament, The ACNC, the ATO and the Tax Practitioners Board have all begun to raise their level of observation and enquiry on the behaviour of Associations.

The Members agreed with the Directors at the recent members meeting for a review of Governance over ICB, including consideration of appointment of further Directors.

We believe ICB provides the transparency in what it does, has done, and what it plans to do.

If there is something you believe ICB could do to enhance its transparency or governance, please email our executive director at matthew@icb.org.au.

Global Bookkeeping Week 2017



Monday 16th to Friday 20th October, 2017

Tens of thousands of bookkeepers from across the world are once again coming together between Monday 16th and Friday 20th October to celebrate Global Bookkeeping Week.

Bookkeepers from around the world will get together over the week to recognize and praise the bookkeeping profession. The wonderful schedule of events that will take place will publicly acknowledge our profession, as well as the vital work we as bookkeepers do to support businesses across the globe.

This will be the third year for Global Bookkeeping Week, which in the previous years has been acclaimed a booming success. Members from 110 countries took part in this incredible celebration. Bookkeepers relished in the webinars, meet-ups, workshops and so much more.

- This year ICB is involved in the Accounting Technology Showcase Australia (ATSA)
- ICB will be hosting a “State of all things” Bookkeeping webinar.
- We will be working with a number of software companies to enhance bookkeepers’ recognition during this week.
- As a returning favourite, our highlight event will be a **Global Bookkeepers Coffee Meet-up** where it is expected that hundreds of thousands of bookkeepers will get together for a coffee or will simply take a moment out of their demanding schedules to raise a cup to their profession.

Be sure to watch this space over the next few weeks and keep an eye out on the ICB website and social media channels!

[#GlobalBookkeepingWeek](#)

24/7 Emergency Response Help Line Available

With news of recent cyber-attacks affecting over 200,000 people in at least 150 countries, including Australia, it is more important than ever before to ensure your business and your business practices are as safe as they can be. This will minimise the potential for attacks and provide a plan of prevention for you and your clients.

Chubb is the provider for ICB members covering cyber security insurance. Chubb provides a 24 hour a day, 7 days a week, 365 days a year incident response call centre which is supported and managed by a qualified team that can actually help you.

Chubb also provides a hotline with the first hour free: **1800 027 428**

By being an ICB bookkeeper, and if you hold Professional Indemnity insurance with IME, you will already have Cloud Cover Protection. This means that should you or a person relating to your practices be negligent with data in the cloud, which has caused loss to your client, your Professional Indemnity, in most cases, will be able to pay a settlement or defend an action from a client for you.

It is suggested that the best approach to cyber security is in prevention and arming yourself with enough information to know what will best assist you in such a situation. Some of the general practices to help you stay on top of your security include:

- Use strong passwords that avoid using personal information. This means that you should not use birthdays, children's names or sequences that are only one form – numbers or letters. It is recommended that you change your common passwords at least once every 90 days.
- Ensure you have installed appropriate and required anti-virus and malware software on your computer systems. This should be included on laptops and iPads.
- Regularly backup to an external hard drive or the cloud. It is not unusual to undertake both. Weekly backups are suggested depending on how much data is created each week.
- Be careful when surfing the web, the sites that you visit, and any two-way activity that you engage in, such as chatting on forums.
- Be aware that it is often for malware and spam to be within attractive offers via email or online. Hesitate and re-think any "click here" buttons on such sites or emails. This is done to steal your IP address (your location) and use it elsewhere unlawfully. In some instances it can provide access to your computer and your personal details that have been stored.
- Ensure you have a strong firewall and use a trusted professional to provide advice and clarification on what makes a firewall strong as well as what practices will help to maintain it.
- It is important to educate yourself, your employees and even your clients on the risks that are associated in keeping information, whether on hardware or software, safe online habits to practice and data protection.

There are other things that can be done to help you prevent and minimise your risk. Consider undertaking one or all of the following:

- Stay on top of any breaches
- Watch for email alerts
- Have an incident response plan in place to know what to do should this happen to you
- Test your privacy control
- Look into resources that can be trained to your employees regarding security and privacy
- Ask questions and find out what else you can do to improve your security.



Chubb have their eRisk Hub that can assist you in putting some of these strategies into place. They offer a complete range of features including:

- No additional forms to complete (unlike other Cyber risk covers in the market)
- Privacy Liability cover (A Privacy Wrongful Act and Breach of a Bookkeepers professional duty)
- Network Liability cover (Your own incident response expenses)
- Cyber extortion cover (Covers extortion damages made by a creditable threat)
- Data Asset Loss cover (Covers cost to remove malware and to reconstruct data)

New additional Cyber cover “Limits of Cover and Premiums”

| Options | Limits | Deductible | Final Annual Premium |
|----------|-----------|------------|----------------------|
| Option 1 | \$50,000 | \$5,000 | \$125 |
| Option 2 | \$100,000 | \$5,000 | \$188 |
| Option 3 | \$200,000 | \$5,000 | \$335 |
| Option 4 | \$50,000 | \$2,500 | \$151 |
| Option 5 | \$100,000 | \$2,500 | \$230 |
| Option 6 | \$200,000 | \$2,500 | \$426 |

Additionally, you can register and gain access to their eHub which will help you with gaining clarity, information and any assistance.

Go to: <https://eriskhub.com/chubb>
 Use access code: 11823

The day of relying on a simple backup is no longer the only thing you need to worry about. Your information and that of your client is valuable and important. Take the necessary steps to protect your business, you and your client’s data, and create a habit that may save you thousands of dollars and hours.

References

- [Chubb eRisk Hub](#)
- [Chubb – General FAQs](#)
- [ICB Insurance](#)

Directors’ Superannuation

Salary and wages paid to an employed director are subject to the same superannuation guarantee law as any other employee.

Directors fees, paid to a company director, are considered to be ordinary time earnings and therefore superannuation applies.

However, payment for the performance of duties as a member of an executive body, such as a body corporate, may be deemed salary or wages which may not be “ordinary time earnings”, and therefore no super applies to these payments.

If a director is engaged as a contractor principally for their labour then the ATO would deem them an employee for superannuation purposes. A director may legitimately be engaged as a contractor and yet super may still be payable.

Dividends paid to a director of a company are not subject to super.

According to the ATO Superannuation Guarantee Eligibility Tool, a contracted director who invoices the business directly, and who receives director fees is eligible for super.



However, a director invoicing through a company is not eligible for super to be paid by the business, because the director is deemed to be an employee of the entity invoicing the business.

This tool contradicts other advice and interpretations that would state if a company director receives remuneration for services as a company director then it would be considered payment as an employee and super would be a requirement.

Note that an employed director must pay their own superannuation guarantee as they would for any other employee. The rules are not different for a director of their own company - contrary to the opinion of many business owners, directors do not get to make up their own rules about the payment of their own superannuation.

Salary Sacrifice

If a director is employed, then they can enter into an effective salary sacrifice arrangement, (see below for more detail on sacrificing to superannuation). However, if a director is paid, for example, an annual fee which is not defined as wages or salary, then it may not be sacrificed into superannuation.

A company may have an agreement with a director to pay a half-yearly and/or annual bonus. Often this will be sacrificed to superannuation. The same rules apply as for any other employee, that there should be an agreement in place ahead of time that relates to future earnings. The agreement may state something in general terms, for example, "agreed director's fee or end of year salary bonus" even if the exact amount is not determined until the end of the year.

References

- [ICB – Director Payments and Employment Matters](#)
- [ICB – SCG Guide](#)

The BAS Agent World

Resolving Disputes with the Tax Office

A dispute relating to tax or superannuation may arise from a decision made by the ATO.

An example of this may be an audit conducted where there is a dispute with you regarding the results. This service allows you to resolve the matter directly with a case manager.

In-house facilitators are one of the ATO's dispute resolution strategies. The ATO in-house trained facilitators are available to resolve your tax or superannuation disputes more quickly and efficiently. They can assist you with your queries or those from your clients.

The ATO has trained these facilitators in-house to be impartial and independent of the dispute, and their role is to manage the discussion between all parties, allowing the communication to remain open. Additionally, providing options and alternatives, as well as assisting to reach an agreement between parties about the matter.

The areas that the in-house facilitators can assist you in include indirect tax, small business and individual taxpayers, private groups and high wealth individuals.

Should a tax or super dispute arise, this service can be requested, or at times may be offered.



Other dispute areas include:

- [Addressing non-compliance](#) – These focus on how the ATO encourages voluntary compliance and a level playing field by complementing a range of assistance products and services, with a balanced and targeted compliance program based on transparency, risk and behaviour.
- [Fostering willing participation](#) – These focus on how the ATO work to make it as easy as possible for people to participate in the tax and super systems and how the ATO are investing in information technology systems to ensure their services are contemporary.
- [Better communication to improve payment compliance](#) – The ATO is using behavioural insights to communicate with taxpayers to positively influence voluntary payments. Behavioural economics is an understanding that people do not always make decisions on a purely rational basis, but can make it easier for them to choose well.
- [The ATO effectiveness](#) – The ATO publishes a selection of stories periodically to provide insight into their performance. These stories also complement their annual report.
- [A practical guide to the ATO code of settlement](#) – A guide with practical examples to assist taxpayers and tax officers in considering settlement.
- [Model settlement deeds](#) – Model settlement deeds available to download in Microsoft Word.

References

- [ATO – In-house Facilitation](#)
- [ATO – Resolve Tax Disputes More Quickly](#)
- [ICB – ATO Offers Dispute Resolution](#)
- [ICB – Complex Issues Resolution Unit](#)

Bookkeepers Who Aren't BAS Agents

Data Entry is not a BAS Agent service, unless...

Not even BAS Agents are allowed to provide Income Tax advice or certainty!

“Data Entry” is not a BAS Agent Service unless it is about “BAS Provisions” and

“ascertaining liabilities, obligations or entitlements...”

“advising an entity about...” or

“representing an entity...”

“that is provided in circumstances where the entity can reasonably be expected to rely on the service...”

“BAS Provisions” are GST, WET, Luxury Car tax, fuels tax, FBT (collection and recovery), PAYG Withholding (payroll), PAYG Instalments (payment) and Super Guarantee.

We apply these above legislative requirements to be applied in a practical sense: “Data Entry” is following a system, it is following a process, it is not determining how the law applies, it is not providing certainty that law has been applied correctly. Data Entry is relying on someone else’s expertise or direction.

It becomes a BAS Agent Service when the duties start interpreting how the law should apply to a transaction, when the person providing the service is being relied on to get it right, when the person is providing advice to the business about how the law applies.



What about:

1. *Data entry for non-GST registered entities?*

As there is no interpretation required for GST purposes or the other BAS Provisions, but entries would affect client for income tax purposes therefore the entries are still affecting the outcome of a client's liability to the ATO, what is the case?

ICB Answer: From a BAS Agent point of view, the consideration of the tax consequence is always out of scope. Neither a BAS Agent nor a non-registered Bookkeeper can be relied on for the tax consequence. You are not allowed to provide the advice about how income tax laws apply, nor be relied on for saying the tax law has been applied correctly to the transactions or bookkeeping. A Tax Agent (or the business themselves) must apply the tax law to the reports provided by the Bookkeeper.

2. *But the accounts have to be right for Income Tax?*

The role of the Bookkeeper in preparing a "correct" set of accounts is to professionally, correctly apply the accounting procedures to the transactions to prepare the reports. The bookkeeper would follow any direction from the tax adviser (registered Tax Agent or the Business (there's a scary thought in some cases) in relation to processing transactions in a way that they require for them to then be able to ascertain the correct Income Tax treatment.

It is up to the person responsible for Tax to review the output of the bookkeeper for ascertaining their tax consequence.

If the tax advisor wants the transactions processed in a certain way to enable them to ascertain the tax position then that tax advisor should advise and the bookkeeper follows that system. The bookkeeper doesn't become a tax advisor nor are they relied on for the tax advice, they are being relied on to process according to the system advised. That is what you are engaged to do.

A bookkeeper and registered BAS Agent should ask questions about any tax consequence, if they think something should be highlighted or considered for a different treatment.

3. *I am still confused as the TPB talk about the data entry as the following is considered a BAS service; "coding transactions, tax invoices and transferring data onto a computer program for clients through processes that require the interpretation or application of a BAS provision."*

The BAS Agent Service line is crossed when the "interpretation" or "application" in a manner that it is reasonable to be relied and so on.

4. *I think my confusion resides in the words "data entry" and "coding" which ultimately have the same meaning.*

The difference is interpretation or applying the laws.

- ▶ A bookkeeper codes according to a system prescribed to them.
- ▶ A person who prescribes the system has to be a registered Agent
- ▶ A person who certifies that the system has been applied properly has to be an Agent
- ▶ A person who follow the system and provides the output to someone else to "certify" does not have to be an Agent

5. *Automation and relying on reports*

"I think what I also take from your replies is that a bookkeeper is able to use automated transactions (previously set up by an agent), but the information entered or reports produced should not be relied upon."

In order for the reports to be relied on they would need to be "certified" by an agent or the business owner themselves. Once a system is established then it is anomaly and discrepancy checking that is required.

References

- [BAS & BAS Agents](#)
- [What is a BAS Agent](#)

TPB Confirms BAS Agents can do STP

Direct Quote from TPB:

The TPB is of the view that the single touch payroll law changes come within the definition of a BAS service under the Tax Agent Services Act 2009 (TASA) or is a service that has been declared as a BAS service through the TPB's legislative instrument. This view is based on our understanding that the outcome of the single touch payroll law changes is that:

- ordinary time earnings (OTE), salary and wages and PAYG withholding information will be reported to the ATO in 'real time'
- super contribution information can be reported to the ATO when payments are made to the fund; and
- new employers will have the option of completing TFN declarations and super choice forms online

With the exception of OTE and salary and wages reporting (which are factual and do not involve the application of taxation laws), PAYG withholding falls within the definition of a BAS provision in section 995-1(1) ITAA 1997 (noting that 'BAS provision' is an element of what is a BAS service in the TASA) and super contributions and TFN declarations now fall under the definition of a BAS service as per the TPB's legislative instrument.

References

- [ICB – TPB Confirms BAS Agents can do STP](#)
- [legislation.gov.au – TPB Details on STP](#)



GST Credits for Super Funds

Can an employer claim input tax credits for expenses incurred on behalf of a superfund?

In short, the answer is no.

The employer is not entitled to the credit where the acquisition is made by the superannuation fund.

Under the GST Act, the input tax credits are available to a registered entity in relation to items acquired in the course of carrying on its enterprise. A superannuation fund is a separate entity from that of the employer and equally treated as such.

Consequently, when an employer incurs an expense on behalf of the superannuation fund, the employer is not entitled because it is for the other entity, not the entity of the employer. The expense was made to the recipient being the superannuation fund, not the employer.

It is important to note that there are some limited circumstances where the employer may be entitled to the input tax credits for the expenses incurred. This would be in the event where the employer can establish that the employer made the acquisition and then directed the acquisition to the superannuation fund.

References

- [ATO – GST Credit for Super Funds](#)
- [ICB – Self Managed Super Funds and the Bookkeeper](#)

ATO Withdraws Penalties

Failure to Lodge Penalty Remissions

In July the ATO advised the Commissioner's announcement to remit failure to lodge (FTL) on time penalties on eligible obligations.

- Activity statements lodged from December 2016 up to 31 August 2017 – remissions in progress and will start to issue shortly.

ATO will continue to remit any FTL penalties imposed on eligible obligations you lodge by 31 August 2017. You do not need to apply for a remission.

Last modified: 09 Aug 2017

- [ATO – FTL Penalty Remissions Update](#)

ATSA: Bringing the Leaders of Technology Together!



ICB is presenting a dedicated Bookkeeper Stream at ATSA 2017 – the Accountants' Technology Showcase for Australia.

ATSA is a dedicated two-day event where you as a bookkeeper, can listen and engage with the leaders of technology in our community. As a bookkeeper, you have the option to attend just the first day or both days, which is a great opportunity to network and meet all of the software providers in the exhibition area.

Day 1 is fully dedicated to bookkeepers, with ICB presenting in the afternoon sessions.

The ICB Members price is only \$275.00

[Click Here to Register](#)

Day 1 Agenda

| | |
|--------------------------------------|---|
| 12:45pm – 1:15pm | What technology should do for your bookkeeping – presented by Matthew Addison A contemporary view on the full end-to-end services of bookkeeping and the recommended technology for anyone doing bookkeeping or installing business management solutions in their clients. This will include the business authorisations and declarations that your software should be enabling to ensure that you and your client are agreeing on what is “true and correct”. |
| 1:25pm – 1:55pm | Invoices should be digital – presented by ICB and Receipt Bank The most efficient way to receive invoices from your suppliers is now digital! Rick from ICB will provide insight into the options available for business to automate the receipt, authorisation and processing of Purchase Invoices. Sophie from Receipt Bank will then demonstrate how it can benefit practitioners. Providing an online access to the status of clients processing and how a practitioner can enhance the automation of the creation of data. |
| 2:00pm – 2:30pm | Imbedding technology into solving Fair Work – presented by ICB and Workforce Guardian Be introduced to the ICB ‘HR Intermediary’ model for incorporating HR advisory services into your practice, leveraging off the technology based expert services from Workforce Guardian. HR Advice requires a new level of knowledge and a deliberate approach to assist your clients in avoiding any impact of a Fairwork investigation. |
| 2:35pm – 3:05pm | Single Touch Payroll Part 1: Explanation – presented by Matthew Addison An explanation into Single Touch Payroll (STP) and what it means for practitioners. Who must report their payroll using STP? Who could? What happens to Payment Summaries? How will I comply? What about the non-computerised employers? When? What if my software is not ready? Discover the answer to these questions, and more. |
| 3:10pm – 3:40pm | Single Touch Payroll Part 2: Implementation – presented by Matthew Addison A practical approach for practitioners to prepare their clients for transition into Single Touch Payroll (STP). We will look at the best practice approach to preparing clients in anticipation of their software enabling STP. What has to be in the data file and in what format? What processes are required once the client reports via STP? |

This is a wonderful opportunity for you to expand your knowledge and gain answers to questions you didn't realise you had. Be sure to book in early.

You have the choice of registering for one day or both, and choose which session you would like to attend (with no need to book in) and gain the added benefit of being an ICB member to receive a discounted fee.

References

- [More Information on the Event](#)
- [Register for the ATSA Event](#)

TPB Recorded Webinars

The TPB provides online videos featuring various topics relating to the tax practitioner including whether you need to be registered as a tax advisor, professional practice through to the emerging issues that may be affecting your practice.

The aim of these videos is to provide general information, insight in understanding the appropriate standards of professional and ethical conduct.

The recent TPB Webinar videos include the following:

- [Tax Practitioner Board – 8 Videos](#)
- [Professional practice for tax practitioners](#)
- [The TPB approach to regulation](#)
- [Supervision and control](#)
- [Your tax practitioner registration: your key obligations](#)
- [Emerging issues affecting your practice](#)
- [Are you ready to renew you TPB registration](#)

The TPB recorded webinars provide a useful resource to assist you in your practices and those with your clients.

References

- [TPB Recorded Webinars](#)

Continuing Professional Education

| ICB Events and Webinars | Classroom | Online |
|--|--|--|
| <p>All Things Employment - Employment Types - Casuals Webinar, 5th September, 2017</p> <p>All Things Employment – Employment Types - Other Types Webinar, 19th September, 2017</p> <p>Single Touch Payroll – How it may impact you Webinar, 20th September, 2017</p> <p>Health and Wellbeing: Part 2 Webinar, 26th September, 2017</p> <p>All Things Employment - Superannuation Webinar, 5th October, 2017</p> <p>All Things Employment - Entitlements and Conditions Webinar, 17th October, 2017</p> <p>Health and Wellbeing: Part 3 Webinar, 24th October, 2017</p> <p>ICB Termination Workshops Multi-locations, Multi-date</p> <p>All Things Employment - Pay Cycle Webinar, 16th November, 2017</p> <p>Note: Webinars are recorded and available for members to listen to in your own time in the ICB Webinar Library</p> | <p>Workforce Guardian - Session 1 Workshop, Perth (North of River), 7th September, 2017</p> <p>Workforce Guardian - Session 2 Workshop, Perth (South of River), 8th September, 2017</p> <p>Terminations Multi-locations, Multi-dates</p> <p>Understanding Financial Reports – including Non Reporting entities Perth, Multi-dates</p> <p>Learn Calxa in a Day Multi-locations, Multi-dates</p> <p>Budgets and Cashflow Management Perth, Multi-dates</p> <p>Xero Accounting & Xero Payroll Multi-locations, Multi-dates</p> <p>MYOB Bookkeeping Multi-locations, Multi-dates</p> <p>TASA Course VIC, Multi-dates</p> <p>Reckon One Certification Training, Multi-locations, Multi-dates</p> <p>Xero Training Course VIC, Multi-dates</p> | <p>MYOB News Channel Webinar, Multi-dates</p> <p>Excel Training Courses Excel Courses, Multi-dates</p> <p>MYOB Training Courses MYOB Courses, Multi-dates</p> <p>Xero Training Courses Xero Courses, Multi-dates</p> <p>TPB Webinars Webinar, Multi-dates</p> <p>ACNC Webinars Webinar, Multi-date</p> |
|  |  |  |

ICB Network Meetings

Upcoming Network Meetings

| Webinars | | | | |
|--|--|--------------------------------------|---|---|
| Online 8 September, 2017 | Online 11 September, 2017 | | | |
| ACT | | | | |
| Canberra - Northside 20 September, 2017 | Canberra - Phillip 12 September, 2017 | | | |
| NSW | | | | |
| Albury 29 September, 2017 | Ballina 13 October, 2017 | Balmain 18 September, 2017 | Bathurst 19 September, 2017 | Bella Vista 21 September, 2017 |
| Bellingen 19 September, 2017 | Blue Mountains 12 September, 2017 | Brookvale 9 October, 2017 | Central Coast 20 September, 2017 | Dubbo 25 September, 2017 |
| Hawkesbury Region 26 September, 2017 | Hills Districts 13 September, 2017 | Hornsby 7 September, 2017 | Lower North Shore 18 September, 2017 | Moorebank 6 September, 2017 |
| Newcastle 9 October, 2017 | Newport 17 October, 2017 | Orange 15 September, 2017 | Port Macquarie 12 September, 2017 | Randwick - Bondi 13 September, 2017 |
| Southern Highlands 11 September, 2017 | Shoalhaven 9 October, 2017 | Sutherland 20 September, 2017 | Tweed Coast 5 September, 2017 | Wollongong 19 September, 2017 |
| NT | | | | |
| Darwin 11 September, 2017 | | | | |
| Queensland | | | | |
| Atherton Tablelands 11 October, 2017 | Brisbane Central 21 September, 2017 | Brisbane North 12 September, 2017 | Brisbane South 19 September, 2017 | Bundaberg 17 October, 2017 |
| Burpengary 6 September, 2017 | Cairns 1 September, 2017 | Dalby 31 August, 2017 | Gold Coast - AM 12 September, 2017 | Gold Coast - PM 12 September, 2017 |
| Hervey Bay 12 September, 2017 | Ipswich 12 September, 2017 | Logan 20 September, 2017 | Moreton Bay 11 September, 2017 | North Sunshine Coast 8 September, 2017 |
| Port Douglas 8 September, 2017 | South Sunshine Coast 14 September, 2017 | Toowoomba 15 September, 2017 | Townsville 8 September, 2017 | |
| South Australia | | | | |
| Adelaide West 15 September, 2017 | Mt Barker 19 September, 2017 | Para Hills 13 September, 2017 | South Adelaide 7 September, 2017 | Unley 14 September, 2017 |
| Tasmania | | | | |
| Hobart 22 September, 2017 | Launceston 21 September, 2017 | | | |
| Victoria | | | | |
| Brunswick 19 September, 2017 | Bulleen 12 September, 2017 | Burwood 6 September, 2017 | Chadstone 11 September, 2017 | Cobram 7 September, 2017 |
| Craigieburn 12 September, 2017 | Docklands 6 October, 2017 | Echuca 22 September, 2017 | Frankston 7 September, 2017 | Geelong 10 October, 2017 |
| Lilydale 29 September, 2017 | Macedon Ranges 19 September, 2017 | Melbourne CBD 12 September, 2017 | Mordialloc 12 September, 2017 | Mornington 22 September, 2017 |
| Mt Waverley 5 September, 2017 | Narre Warren 12 September, 2017 | Point Cook 8 September, 2017 | Sale 14 September, 2017 | Warragul 18 September, 2017 |
| Yarra Valley 8 September, 2017 | | | | |
| Western Australia | | | | |
| Broome TBC | Bunbury TBC, 2017 | Busselton 22 September, 2017 | Cockburn Central 20 September, 2017 | Geraldton 20 September, 2017 |
| Joondalup 21 September, 2017 | Kalgoorlie 19 October, 2017 | Melville 13 September, 2017 | Noranda 13 September, 2017 | Northam 2 October, 2017 |
| Welshpool 19 September, 2017 | | | | |

August 2017 Question of the Month: How to Claim Deductions for AirBnB Clients when they are not registered for GST.

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

Can there be further info on how to claim deductions for Airbnb for clients – if they are not registered for GST then there is no claim – I tried to explain that it was like residential rent and you could claim the deduction but there are no GST claims but I couldn't find anything to justify this info – can we provide further resources on sharing economy?



Let us know your thoughts here

July 2017 Answer of the Month: Is GST Claimable on a High Ticket Gift?

Last Month we Asked You:

My client is selling a property and wants to give the real estate agent's employee who completes the sale a motor vehicle as an incentive, in addition to the 7% commission payable out of the sale deposit.

How do I handle this situation? Is GST claimable on the cost of the vehicle (he intends to spend approximately \$43,000 on the vehicle)?

ICB's Response:

The 7% commission arrangement would be between the agent and their employee. Your client wants to pay an incentive to a third party (i.e., the individual who sold the property) — this is not an employer/employee relationship.

Because the individual is not an employee of your client, this may be treated as a third party gift or incentive 'payment'.

If there is an associate relationship between the vendor, real estate agent and employee then Fringe Benefits Tax may apply for a property fringe benefit, because the benefit is received as a consequence of employment. However, if there is no association between the entities, FBT would not apply.

If FBT applies, this could be significant on a \$43,000 gift, so the vendor needs to know the full implications of the decision before he buys the car!

GST will be claimable if the gift is deemed to be tax deductible to the business. That is, if the property in question is owned by the business and not by an individual.

It will be the individual's responsibility to check the impact of this gift on their tax return with their own tax agent.

This is not a straight forward situation, and because FBT may be involved, it is highly recommended that you get tax agent advice and/or ATO advice.

References

- [ATO – FBT Property Fringe Benefits](#)

Other Things Happening in the World

COSBOA Mental Health Survey for Small Business

Learning how to support you – new research underway!

Mental health is a growing concern for small businesses. Many small business owners and employees work under constant pressure, facing daily challenges that can have a significant impact on their health and wellbeing. The Council of Small Business Australia recognises this impact, and are working closely with the Hunter Institute of Mental Health to research the wellbeing challenges that might occur within small businesses.

The aim of the research is to gather information from people in Australia who currently work, or have worked in small business, to gain a greater perspective and understanding of the challenges faced in small business – how we deal with them, who we talk to for support and what resources or health programs we think would be of value in the future. The research results will be used to guide the development of new programs to better enhance mental health and wellbeing in the small business industry.

The Hunter Institute of Mental Health are asking for your help to complete a confidential survey that will guide their research. This survey is available to everyone in small business, not just for those that have experienced mental health concerns, and will help lead the way to health and wellbeing programs designed to support the unique needs of small business.

[Click here to complete the survey!](#)

References

- [Hunter Institute of Mental Health – Mental Health and Small Business](#)
- [ICB – Health and Wellbeing Webinar Series](#)



Government Attacks the Cash Economy

The Black Economy Task Force has already had an impact on the business landscape in Australia. Recommendations contained in the task forces interim report have already been implemented and some are on the “to be considered” whiteboard.

Some of these include:

- Taxable Payment Reporting (TPAR) extended beyond Building and Construction to now include:
 - ▶ Cleaning
 - ▶ Courier

What's next? Security? Home care?

ICB propose that there is logic behind the TPAR reporting system extending to all business-to-business transactions. This would require full ABN validation before a business makes a payment. One step at a time...

Government should only buy things from business with a good tax record and who do not engage in bribery and corruption. This seems to make sense to us.

TPAR has already extended to Government Grants; in that Government organisations must now report to the ATO who they have given Grants to, so that the ATO checks those grants are reported.

No tax deductions for cash payments!



If a business pays cash then the concept is that the payment must be reported as part of payroll (so you would have a TFN) or as part of TPAR (so you would need to have a valid ABN) or **no tax deduction**. Ouch! ...but we think it has merit.

“Sales suppression technology” outlawed, and so it should be.

For the full report: treasury.gov.au – [New Fight Against the Black Economy](#)

Charities Must Lodge (or Else!)

The ACNC revoked the registration of 109 charities failing to submit their Annual Information Statements for two or more years.

It is imperative to submit the Annual Income Statement every year to adhere to compliance in receiving the charity tax concessions received. Failure to do so will indicate a pattern of non-compliance. The ACNC may issue a 28 day notification and, should this not be actioned, will result in revocation.

As a registered charity there is an obligation to:

- Notify the ACNC of any change of contact details. These changes must be provided within 28 days for large and medium charities and 60 days for small charities.
- Submit the Annual Income Statement each year. The statement is due within six months of the end of the reporting period and can be submitted using the ACNC Charity Portal.

Unlisted Charities

There are a number of charities that have not kept up to date details with the ACNC, making it difficult to be notified of compliance obligations. The ACNC conducted publicity campaigns through a number of social media platforms to bring awareness to these charities of the forthcoming outcome.

Additionally the ACNC posted a public notice on their site of this revocation, and conditions associated, listing all of the charities that no longer hold their charity tax concessions.

Be aware of the ACNC obligations and whether regular compliance is being met and adhered to.

References

- [ACNC – Double Defaulters](#)

From the ICB

What's New this Month from ICB

New and updated resources for August 2017

- [ICB Guide to Long Service Leave](#)
- [What is Payroll Tax?](#)
- [Review and Reconcile Payroll Tax](#)

Other news for July 2017

- [Tax Practitioner Stewardship Group - Key Messages](#)
- [Reckon Training Course Discounts](#)

[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.



Change of Guard at Workforce Guardian

ICB would like to welcome Sean Wilson to the role of CEO at Workforce Guardian.

We would also like to take this opportunity to thank David Bates who recognised that Bookkeepers, as well as businesses, needed HR support. Additionally, acknowledging that Bookkeepers are well placed to provide this with the support of Workforce Guardian.



Four years ago ICB raised with Workforce Guardian the need of HR support for their payroll clients and has since provided HR solutions to businesses. David worked with ICB to develop a solution specifically for Bookkeepers and Accountants called "HR Advice Online". This solution now enables Bookkeepers to provide their clients with reliable HR advice at an affordable price.

Over the four years, David has also been instrumental in educating and assisting Bookkeepers through newsletter articles, presentations at network meetings and our annual conference.

ICB members wish to thank David for all that he has done to support our community and wish him the very best for the future.

Sean Wilson, the new Chief Executive Officer

Sean was previously Chief Operating Officer and Deputy Managing Director with responsibility for general management, marketing, sales, customer care, IT and business administration.

Sean has led product design and development for [Workforce Guardian's industry-leading cloud HR solutions](#) since 2013, delivering several major upgrades, as well as innovative new products and services to help employers and key advisors [achieve best-practice HR management](#) and [full-compliance with Australian employment laws](#).

Reference

- [Workforce Guardian appoints a new CEO](#)

Simpler BAS in Xero is Here!

We're pleased to announce that Simpler BAS is now ready for our partners to use in Xero. The all-new BAS experience will help Australian businesses use the ATO's new Simpler BAS reporting method. Get familiar with the set up in Xero now so you're in the box seat, ready to help your clients through the changes. The release to small businesses is planned for early September.



When you next log in to your client's organisation, you'll have two options: Simpler BAS or full BAS. Most of your clients who fall below the \$10m GST turnover threshold are likely to use Simpler BAS unless they pay by instalments. Those businesses above the threshold will continue using the original full BAS.

To choose Simpler BAS in Xero:

- From the *Reports menu*, select *All Reports*.
- Under *Tax*, click *Activity Statement*.
- Under *Activity Statement Reporting Method*, select *Simpler BAS* and click *Save & Continue*.
- Review your settings.

For more information, watch this [short video](#). You can also refer to [Simpler BAS info](#) in the help centre.

From the ATO

ATO 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.

**additional regular maintenance has been scheduled due to Tax Time 2017*

Planned System Maintenance

| Start Time | End Time |
|--|---------------------------------------|
| Saturday 2 September 2017 – 10.00pm EST | Sunday 3 September 2017 – 7.00am EST |
| Friday 22 September 2017 – 10.00pm EST | Monday 25 September 2017 – 7.00am EST |
| Saturday 30 September 2017 – 10.00pm EST | Sunday 1 October 2017 – 7.00am EDT |
| Saturday 4 November 2017 – 9.00pm EDT | Sunday 5 November 2017 – 9.00am EDT |
| Saturday 2 December 2017 – 9.00pm EDT | Sunday 3 December 2017 – 9.00am EDT |
| Saturday 9 December 2017 – 3.00am EDT | Monday 11 December 2017 – 7.00am EDT |

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

ICB Membership Statistics

5,330 Members at 31 July 2017

3,796 Members maintain Fellow, Member, Associate, Affiliate and Educator Membership.
ICB also has 17 Accredited Training Provider Members and 1,517 Student Members.

ICB Supporters and Sponsors



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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Kind regards,
ICB Newsletter Team

[To unsubscribe from receiving this newsletter, please click here](#)

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