

Client eBrief



Institute of Certified Bookkeepers
Making you count



ATO Lodgement Dates

Charging late fees to your clients

You are allowed to charge late fees and/or interest on your unpaid bills

IF;

1. it is in the Terms and Conditions that the customer has already signed prior to you providing the product or service, and
2. certainly it was known and agreed before any credit was extended to the client, and
3. so long as the charge is within what would be deemed "fair and reasonable" if it were brought in front of a magistrate

This area is covered by Common contract law but if you want to be absolutely certain of the legality of your letter of engagement you would need to get independent legal advice. As an alternative to charging late fees, some people increase the charges on the original invoice but offer a discount if paid within certain terms. Of course you have the option to discontinue supply of goods or services until previous accounts are settled. The Statutory Interest rate for loans as set by the ATO is currently 7.4%. Many service providers will charge interest on unpaid accounts at 2-3%, some will use the current ATO statutory rate, and others will charge up to 10%, as well as a late fee.

Examples of Fair & Reasonable coming into play. \$150 outstanding invoice for 90 days

Example #1

\$150 outstanding invoice 10.5% at 90 days = \$3.88 or 0.043 cents per day. \$150 outstanding invoice plus 10% late/administration fees = \$15
Total of invoice now outstanding = \$168.88.

Looks Fair & Reasonable.

Example #2

\$150 outstanding invoice 10.5% at 90 days = \$3.88 or 0.043 cents per day.
\$150 outstanding invoice plus \$25 late fee.
Total of invoice now outstanding = \$178.88

Looks Fair & Reasonable.

Example #3

\$150 outstanding invoice 10.5% at 90 days = \$3.88 or 0.043 cents per day.
\$150 outstanding invoice plus \$50 late fee.
Total of invoice now outstanding = \$203.88

May be considered Fair & Reasonable.

Example #4

\$150 outstanding invoice 10.5% at 90 days = \$3.88 or 0.043 cents per day.
\$150 outstanding invoice plus \$200 late fee.

These dates are from the ATO website & do not take into account possible extensions. Contact us to establish when your information is required for lodgement. You remain responsible for ensuring that the necessary information is with us in time.

BAS/IAS Monthly lodgement –
September Activity Statement: 21st
Oct12 final date for lodgement &
payment

BAS/IAS Monthly lodgement -
October Activity Statement: 21st
Nov12 final date for lodgement &
payment

1st Quarter of FY2013: BAS lodgement – September Quarter (including PAYGI) 28th Oct final date for lodgement & payment. Final date for electing to pay GST by instalments (option 3) or final date for opting out of option 3 for current year.

GST: Final date for eligible quarterly GST reporters to elect to report GST annually

PAYGI: Final date for eligible instalment reporters to elect to report annually for June balancers.

Where a due date falls on a day that is not a business day (that is, the due date is a Saturday, Sunday or public holiday), lodgement or payment may be made on the first business day after the due date without incurring a penalty or general interest charge (GIC).



Managing a Key Business Issues:

Complying with Business Legislation

**NB; Over the next few months we will be talking about 4 Key Business Issues
(Complying with business legislation, minimizing risks, improving efficiencies and managing your time)**

It's crucial that your business is aware & understands its obligations. All business have various Compliance & Legal Issues – once you understand the requirements & create a process for dealing with them, your business will run more smoothly, ensuring your ongoing success.

- Keep good business records as this makes compliance much easier
- Stay on the right side of IT law by establishing an appropriate software policy. Using unlicensed software can ultimately hit your finances & your business's effectiveness. It will also undermine your credibility in the eyes of customers or other stakeholders
- Complete documentation in a timely fashion
- Pay BAS/taxes on time to avoid penalties.
- Provide a safe working environment for your employees.
- Comply with relevant employment legislation, during both the recruitment process and employment tenure.
- Comply with privacy legislation if you capture or process personal information about other people for business purposes.
- If you use direct or email marketing, you will need to comply with relevant legislation, which may include the Privacy Act and the Spam Act.
- Comply with intellectual property and trademark legislation.
- Fulfil your duties as a director if you operate a company. These include a duty to prevent your business trading if it's insolvent
- Obtain the appropriate licenses to undertake your businesses activity and comply with their requirements.

Please contact us to discuss any improvements to procedures with regard to compliance issues

Disclaimer: All or any advice contained in this newsletter is of a general nature only and may not apply to your individual business circumstances. For specific advice relating to your specific situation, please contact your accountant or contact me for further discussion.

The Institute of Certified Bookkeepers

Tel: 1300 85 61 81

Email: admin@icb.org.au

This newsletter is produced by The Institute of Certified Bookkeepers and distributed by members.

