

Bookkeepers helping Bookkeepers help Business

January 2013

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News, views and things you need to know

Welcome to the ICB's January 2013 Newsletter. You can read the newsletter online by [clicking here](#).

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Important News for you

- Picking the best clients

Best Practice Bookkeeping

- Emergency Plans
- Chattel Mortgages
- Employing Overseas Workers - How to set up in MYOB

From ICB

- Windows 8 resources

2013

for Professional Bookkeepers - the year ahead

12 months ago the article was titled "2012 for Bookkeepers – the Year ahead" and in that article I wrote (in part) the following:

As computing changes, internet changes, software changes, concepts of how to do business changes, the concepts of how Bookkeeping happens should also be changing.

Bookkeeping is a very wide term: from data processing and filing, to recording and accounting. Bookkeepers process, reconcile, review and report.

In our environment BAS Agents have been created to review, report, lodge and be relied on for their expertise for BAS related matters.

2012 looks to be an interesting one as we keep books.

For some, maybe nothing will change – same business(es), same process, same documents, same banks, same reports, same time taken, same money earned.

Some will embrace changes to the way business happens and embrace new methods to keep the books: bank feeds, EDM, auto-transactions, desktop lodgement.

It seems 2012 will include drastic changes to software as the major players all continue to develop. MYOB's well documented upgrade to SQL (with its interesting aspects) and promised cloud version of core product, Xero ongoing development and inclusion of core functionality including integrated payroll, Reckon further development of business efficient processes. Governments SBR project finally begins to be adopted and used by software houses opening up easier lodgment processes.

..... the value that decent bookkeeping has and is for business. Bookkeepers therefore should continue to provide efficient process and help business and be seen as a contributor not just as a cost of compliance. Bookkeepers should be regarded as providing certainty around the business results, the bank balance, what is owed and what is to be received. Bookkeepers should be regarded as helping that business owner have the money that they have worked hard to generate. The bookkeeping to be done in such an efficient and timely fashion that the owner doesn't even think twice about you not doing the work. Your work performed in such a relevant and personal manner that competitive bookkeeping alternatives are not considered by the business.

2012 is the year for bookkeeping to remain efficient, cutting edge, professional and useful.

2012 is the year that bookkeeping won't be the same as it has in the past.

Matthew Addison

13 January 2012

2013 for Bookkeepers – the Year ahead with a view in the mirror

well.....

Computing changes: Windows 8 is here, Androids explode into competitive positioning; internet: probably the same (bring on the NBN); software changes: MYOB SQL finally but not all there yet (bring on Premier, M-Powered payments and Super), Reckon is soon to be Reckon and not QuickBooks, Intuit brings us QuickBooks, (I truly hope that the confusion doesn't remain so significant), Xero goes from strength to strength and development to development.

ATO gives us part of our Portal wish list, not to be understated we finally have access to the Running Balance Account, and the ATO endorses SBR lodgement as the only way forward. GovReports brings us effective EMPDUPE, activity statement TFN declaration lodgement and management using the SBR gateway – bring on improved SBR and better electronic interaction.

Government brings us ACNC (Charities), new regulations and controls over Super and superfunds, Construction industry reporting and the ATO increasingly seems to be positively working and interacting with us.

The cloud hasn't evaporated but has consolidated. Let's not lose sight that all "the cloud" means is accessible by internet. Many "cloud based solutions" actually means "Browser based". Let's not lose sight that "the cloud" is bringing us better technology and improved process.

Electronic payment gateways
Website based order and sales generation
Internet banking

Xero cut the noisiest and most progressive drive into domestic/commercial everyday use of **bank feeds** within their solution. They weren't the first but they have brought it to the forefront of Bookkeeping process.

Remote accessibility is the other paradigm shift that is going to become the norm during 2013. Whether it is browser based, hosted, desktop, synched desktop, RDP, logmein etc etc; the change to remotely accessing and producing work is likely to be "just the way it is done".

Where to now? Again not a new concept but becoming more obvious and a better more stable process is **electronic document scanning and identification**, some call it dissection: where the PDF invoice is broken down by the program and the transaction created. Direct business to business transfer of the transaction data via electronic means is likely to become part of the norm.

A great improvement in process and record keeping will be the **attachment of the source documents** to the transaction record within the accounting program – are we there yet?

Where does this leave the bookkeeper?

In a far better spot. Integral to the process, integral to the accuracy:

I quote "**Bookkeeping focus should be accuracy, not speed**" a report coming out of the state of Indiana: \$526m misplaced or misallocated within one year due to "a system deemed geared for haste instead of accuracy". The consequence of the audit and review is a focus on the states bookkeeping and accounting systems back to accuracy and control.

Technology remains a tool to be used by those who know what they are doing.

Professional Bookkeepers are the most advanced in taking these changes on and knowing how to implement them with "which" businesses and when.

Unfortunately many have equated the technology of bank feeds, the process of autocoding, the improvement in remote access with the **death of bookkeeping**. They simply do not understand what bookkeeping is nor what a bookkeeper does.

Unfortunately many have stated that the only way for a bookkeeper to retain their income is to have "**FIXED FEES**". While I don't mind some of the concept of fixed fees, I don't like how it has the potential to "cheapen" what a Professional Bookkeeper does and it has the potential to start a complete "price war" of all Bookkeeping services" More on this in the February Newsletter and also the ICB Annual Conference in March 2013.

Professional Bookkeepers are known to improve the survival of business!

Professional Bookkeepers are known to work with Businesses that are more likely to be compliant with law.

Professional Bookkeepers are involved, integral, efficient and better for business.

Bring on 2013 and all the technology changes that will mean Bookkeepers are seen for their value.

BAS Agents obligations are in full force with a few remaining consequences into 2013. Continuing Professional Education is mandatory at 15 hours per year for BAS Agents. Professional Indemnity Insurance is a must for those BAS Agents providing services to clients.

After February the only way a new BAS Agent gets in is to be fully qualified with experience; they must have Certificate IV* and worked with or for another Tax or BAS Agent.

2013 is again the year for bookkeeping to remain efficient, cutting edge, professional and useful.

2013 is the year that bookkeeping won't be the same as it has in the past.

Matthew Addison
31 December 2012

* Fully qualified means BAS Agents have Certificate IV in Bookkeeping or Accounting or a greater level of qualification that includes the appropriate content INCLUDING the BAS Agent Skill set of BOTH the Payroll Unit and the Activity Statement Unit (as described in the Certificate IV in Bookkeeping)

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Notice of ICB Members Meeting (non members are more than welcome!)

All members of ICB are invited to attend our annual members meetings held in conjunction with our annual conference.

From 3pm (approx.) to 4pm in 9 locations – [click here for location details](#)

If you plan to attend the conference then [register for the conference here](#).

[Full details below](#)

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ICB Conference - March 2013 is ONLY 35 days away

ICB's 2013 National Conference

Today's Bookkeeping Towards Tomorrow



Agenda:

9.00am registration for a 9.30am session start, tea and coffee on arrival, morning, afternoon tea and lunch will be provided with the conference concluding at approximately 3pm. Followed by the ICB Members (all non members are very welcome also!) meeting which will conclude by 4pm.

Conference agenda includes:

- What is happening in our world - to Bookkeepers, to Technology, to the Cloud, to BAS Agents, to Business?
- How to respond to so many software options?
- Impact of change on Bookkeeping Procedures - Impact and approach of Bank Feeds, remote access opportunities and technology changes
- Best Practise Business Bookkeeping - what does a Bookkeeper do when and how to
- Interaction with Accountants - The professional interactions (now possible) and maintaining the positive and effective relationship

Your conference ideas – Assist us to refine and tailor the content to meet your information and training needs. [Click here](#) to ask your questions and post your thoughts.

Members Meeting (all non members are very welcome to attend!)– Reporting to you and seeking your input into ICB. Let us know of anything you would like addressed at the meeting, send to Simone@icb.org.au

Nominations for “Fellow” recognition – In 2010, Members decided to define “Fellow” membership to be recognition of those Members of ICB who have contributed significantly to the Bookkeeper community. 15 people were recognised in 2011. [Further details and application form available here](#). Nominations to be received by 31 January 2013.

Pricing

Full Member	\$220.00
Student and Subscriber	\$242.00
Non Member	\$297.00

Click on the link for your location below to book and pay online securely now!

[Launceston](#)

5th March, 2013
Hotel Grand Chancellor
29 Cameron Street
Launceston

[Melbourne](#)

6th March, 2013
Melbourne & Olympic
Park
Batman Avenue
Melbourne

[Perth](#)

7th March, 2013
The Pan Pacific
207 Adelaide Terrace
Perth

[Brisbane](#)

12th March, 2013
Royal on the Park
Cnr Alice & Albert Streets
Brisbane

[Cairns](#)

13th March, 2013
The Sebel Cairns Hotel
17 Abbott Street
Cairns

[Darwin](#)

14th March, 2013
The Vibe Hotel Darwin
7 Kitchener Drive
Waterfront

[Adelaide](#)

19th March, 2013
The InterContinental Hotel
North Terrace
Adelaide

[Canberra](#)

20th March, 2013
Exhibition Park in
Canberra
Cnr Flemington Rd &
Northbourne Ave
Mitchell

[Sydney](#)

21st March, 2013
Four Seasons Hotel
199 George Street
Sydney

PDF registration form ([which is available here](#)), complete and return.

For multiple bookings, complete the Multiple Booking form ([available here](#)).

If you have any queries please do not hesitate in contacting us on 1300 85 61 81 or by email at admin@icb.org.au

Special Dietary requirements: Advise us of your requirements when completing your online registration.



Major Sponsors



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Best Practice Bookkeeping

Worker Entitled Funds

Approved Worker Entitlement Funds are funds established to preserve the benefits and entitlements (Long Service Leave, sometimes Sick Leave, sometimes Annual Leave) of employees engaged in particular industries, such as building and construction, where much of the work is transitory and changeable in nature.

Rather than the employer keeping track of the entitlements, the Approved Worker Entitlement Fund (AWEF) keeps track and pays the entitlements to the employee, and therefore the entitlements are portable from one employer to the next.

The funds are established to provide benefits to employees who would normally be entitled to benefits on termination of employment under the terms and conditions of their employment.

The use of the funds is recognised in many awards and enterprise agreements.

Employers contribute to the funds to assist in satisfying their obligations when employees leave their employment. Typically, employers contribute to the funds at some point in each pay cycle. The funds are then held in trust on behalf of the worker.

Certain contributions made to an approved worker entitlement fund are exempt from fringe benefits tax (also known as an exempt benefit).

Contributions to an approved worker entitlement fund are defined by Commonwealth, State and Territory laws and may include redundancy payments, annual leave, long service leave and sick leave.

If this is relevant to your clients, see these links for more information:

<http://www.ato.gov.au/content/00306382.htm>

http://www.austlii.edu.au/au/legis/cth/consol_act/tlaa42003275/sch7.html

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Employing Overseas Workers

All workers in Australia, including foreign workers, are entitled to basic rights including minimum pay, superannuation and the National Employment Standards.

What you need to do

1. Establish validity and type of visa. The business owner may already have done this or may instruct you to do this. Keep a copy of the visa and all documents associated with the visa in the employee file.
2. Obtain documents from employee. You will need a copy of the visa, related proof of identity documents and a Tax File Number form, as well as bank details and superannuation fund.
3. Set up employee in software. See below for more detail.
4. Provide information to the employee. You should provide information from Fair Work about worker entitlements and the National Employment Standards. Also let them know of their tax obligations and the employer's superannuation obligation. You may need to provide information on how to apply for a Tax File Number. See below for more detail.
5. On completion/termination, advise the employee about superannuation and tax. You should advise the employee in writing that they need to complete a tax return at the end of the Australian financial year, and that they are eligible to take their superannuation payments out of the country when they leave. You will also need to issue a payment summary to the worker.

Visas

You should check if prospective employees have a valid visa and are entitled to work in Australia before you employ them.

Not all visas allow people to work in Australia. Employers are obliged to take reasonable steps to check job applicants' entitlement to work before employing them.

Different visas have different conditions governing work hours and other factors.

<http://www.immi.gov.au/immigration/>

There are several types of valid Work Visas.

This is a list of the most common types but there are others available:

189 Skilled Independent Visa	Permanent
190 Skilled Nominated Visa	Permanent
489 Skilled Regional Sponsored Visa	Up to 4 years
457 Temporary Business Visa	Up to 4 years
186 Employer Nomination Scheme	Permanent
187 Regional Sponsored Scheme	Permanent
417 Working Holiday Visa	Specified countries; Up to 1 year, 18-30 yr old
462 Work and Holiday Visa	Specified countries; Up to 1 year, 18-30 yr old
572 Student Visa	Duration of study; 40 hrs work per fortnight
416 Temporary Work and Specialist Entry Visa	Period of Invitation (or up to 6 months for Seasonal Worker Program)

See this link for more detail: <http://www.immi.gov.au/employers/>

Note: It is important to check the validity of visas as the types of visas issued by the Department of Immigration and Citizenship changes according to immigration and regional needs.

To check the visa details and entitlements see this link: <http://www.immi.gov.au/e Visa/vevo.htm>
Or ring Employers' Immigration Hotline: 1800 040 070

Tax

A worker earning income in Australia needs to have a Tax File Number and submit a tax return. Foreign resident tax rates are different from Australian residential tax rates; they do not receive a tax free threshold or pay the Medicare levy.

<http://www.ato.gov.au/individuals/content.aspx?doc=/content/57284.htm&pc=001/002/012/014/004&mnu=0&mfp=&st=&cy=>

<http://www.ato.gov.au/individuals/pathway.aspx?pc=001/002/012>

Superannuation

The employer must pay superannuation as for any other worker. Provide the worker with the Superannuation Choice form; if the foreign worker does not elect a superannuation fund you should pay into the employer's default fund. When the worker leaves Australia they are entitled to receive their benefits.

This payment is called a Departing Australia Superannuation Payment (DASP); the worker applies to the superannuation fund directly.

Worker Entitlements

All workers are entitled to certain conditions, governed by the National Employment Standards. These are no different for a foreign worker.

They are entitled to the Fair Work Information Statement, maximum weekly hours of work, flexible work arrangements, leave, public holidays, notice of termination and redundancy pay.

<http://www.fairwork.gov.au/resources/fact-sheets/workplace-rights/pages/foreign-workers-rights-fact-sheet.aspx>

<http://www.immi.gov.au/media/publications/compliance/guide-on-work-rights/>

<http://www.fairwork.gov.au/employment/national-employment-standards/pages/what-are-the-10-nes-entitlements.aspx>

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Dear Client.....

Dear Client

BUSINESS ADVICE **PAYG Withholding Tax from payroll**

We are aware that the ATO continue their audit, investigation and review processes around the area of; businesses who incorrectly classify people as Contractors rather than as Employees.

We are able to provide further general guidance information around this matter if you require. The most appropriate treatment of your people depends on a range of factors.

The correct legal treatment to comply with:

PAYG Withholding requirements
Superannuation Guarantee
Workers Compensation (WorkCover)
Payroll Tax
Fairwork / Employment obligations

are complex but are required to be established and known by you.

For specific advice in relation to classification of people as employees or contractors for tax law purposes & also for Superannuation Guarantee matters, the law currently requires you to speak with a Registered Tax Agent. We are able to implement the decisions made in your payroll and accounting systems.

CONFIRMATION from you

In your business the system currently records the following people as normal employees:

-
-

We note significant recurring business occurs with the following “Contractors” for a significant service or labour contribution to your business. Accordingly it would be wise to confirm that these parties are correctly able to be classified as “Contractors”:

-
-
-

Please advise us if any of these classifications are to be altered and the application of PAYG Withholding etc requires amendment.

Payroll Tax: The relevant payments threshold for Payroll Tax for you in (Victoria / NSW / Queensland / WA / SA / NT / ACT) is \$_____ per year.

We note that payroll tax applies to Employees and many contractor arrangements. Your total payments that would be applicable to Payroll Tax is \$_____ accordingly.

- a. You do not need to register nor do you have a payroll tax obligation
- b. You are registered and paying payroll tax as appropriate
- c. You should register for payroll tax

Please contact us to discuss any aspect of these matters.

Yours faithfully

Transitional registrations end on 28 February 2013

BAS Agent Transitional registration law ends on 28 February 2013

It has been 3 years since the TASA took effect. The 28th February 2013 sees the end of any Transitional Provisions to allow a "Non-Cert IV qualified" person to apply for registration.

UNTIL 28th FEBRUARY 2013

A previously unregistered person can apply to be a BAS Agent under the Transitional Provision (14) that allows you to register, if you can prove that you have been providing BAS Services to a "Competent Standard" for a "Reasonable Period" (700 hours within the 2 years).

If you **HAVE been previously registered** as a transitional BAS Agent
YOU MUST SUBMIT YOUR RENEWAL BEFORE 28 FEBRUARY

The TPB website says you MUST now have Certificate IV.

We believe that the law allows you to renew your previous Transitional Registration in accordance with the ACT

This matter has been raised with the TPB and we understand that they will accept a renewal transitional application, without Certificate IV qualifications, in accordance with the following provision:

From the Transitional Act

14 Special rule for applications for registration as a registered BAS agent

1. If:
 - a. an entity applies for registration as a registered BAS agent under section 20 20 of the new law before the end of the 3 year period beginning immediately after commencement; and
 - b. the entity would be eligible for registration but for the operation of:
 - i. paragraph 20 5(1)(b) of the new law (which requires the Board to be satisfied of requirements prescribed by regulations, including requirements in relation to qualifications and experience in respect of registration as a registered BAS agent); or
 - ii. paragraph 20 5(2)(c) or (3)(d); and
 - c. the Board is satisfied that the entity had been providing BAS services to a competent standard for a reasonable period before making the application; then, despite paragraph 20 5(1)(b), (2)(c) or (3)(d) of the new law, the entity is eligible for registration.
2. If:
 - a. an entity is or has been taken to be a registered BAS agent under item 5 of this Schedule; and
 - b. the entity is eligible for registration under sub item (1) of this item; then, despite subsection 20 25(4) of the new law, the period that the Board may determine under that subsection must be at least 12 months.

Which means:

1. Renew your registration before 28 February 2013
2. Apply for TRANSITIONAL REGISTRATION with Competent Standard for the reasonable period. Explain to the TPB that is what you are doing – you may have to do it on PAPER and mail it, maybe complete the form on line but you will need to print it as ICB don't think the online form allows for this option.
3. This will give you ONE year of registration

To continue after 28 February 2014 you will need your Certificate IV and BAS Agent Skill set.

What is supervision to get your hours up?

To be registered as a BAS Agent you must have performed 1400 hours relevant experience (1000 hours if you are a member of a Recognised Professional Association) within the last 3 years.

Those hours must have been performed:

1. While you are a Registered Agent
2. Working under the supervision and control of a Registered Agent (TASA Regulations Sch2 Part 2 Div2, 103)

Supervision and control means

- that the BAS Services you are providing could only be provided legally by providing them while working for another registered Agent.
- that you may be their employee working on providing services to clients
- you may be a contractor to them providing services to clients
- they may be a contractor to you, while you provide the services they are supervising the work you do (a three way relationship with the client)

It means that they are guiding you and checking the work you do to ensure it is done to the same level that they (the registered agent) would have done it themselves. Remember only Registered BAS Agents can provide BAS Services to a client therefore while you are unregistered and establishing your hours, that Registered Agent must be involved and known to the client.

1000 hours of the “relevant experience” is not the same as what is and isn’t a BAS Service. Relevant Experience is also defined in the Regulations as where “the individual’s work has included substantial involvement in 1 or more of the kinds of BAS services described in section 90-10 of the Act”. Therefore “relevant experience” includes the work leading up to and as part of the bookkeeping work that results in the BAS Service being performed.

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BAS Agents - you have a special ATO phone number

13 72 86

Special advice and support for BAS Agents you will need to quote your Agent Number

Fast Key Codes

- 23 for GST advice
- 211 for PAYG Withholding Advice

[For a full list look here](#)

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When the ATO contacts your client

ATO chasing your client

When you have the client listed on your client list on the ATO PORTAL, the ATO should be contacting you about GST & Activity Statement and PAYG W matters.

Stories are increasing that this is not the case. If you experience the ATO contacting the client first or contacting the Tax Agent and not you in relation to matters that you deal with for your client, please let us know. This is NOT ATO policy and procedure.

The ATO should be contacting you if you are the listed agent.

However, if your client isn't talking to you, nor answering your questions then consider removing them from your client list and also advising the ATO to contact the client direct.

It is possible you want to keep working for the client but not be in the middle of the ATO collecting their debt. Then also advise the ATO to contact the client direct.

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CPE (Continued Professional Education)

This month from the ICB CPE webpage

Upcoming events

[Today's Bookkeeping Towards Tomorrow](#)

Nationally
March 2013

[ICB Network Meetings](#)

Nationally, Monthly

[AccountRight 2012 - Live Bank Feeds](#)

Webinar
24th January, 2013
12pm (AEDST)

[Intuit QuickBooks Innovation Workshop](#)

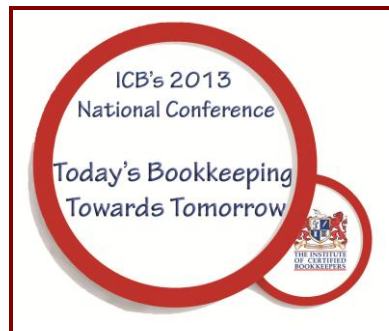
Vic, NSW, Qld and WA
30th January - 6th February, 2013

[Learn MYOB in a Day - Canberra](#)

5th February, 2013
9.30am

[Xero Roadshows](#)

February, 2013
15 Locations



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Selecting Accounting Software in 2013 - What do you look for??

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

What do you require the accounting software to do before you will consider it?

Not thinking brand but just knowing everything you know about software and if you were to be thinking about another piece of software being offered to you - what are the things you would check to see if that Accounting Software actually would work for you.

Would you require the software you choose to do the following?

Minimum – business transacting in cash alone / no employees

1. GST Coding of each transaction (& automatic GST calculation)-comply in Australia
2. GST Default Coding by account
3. Import or automatic feed of Bank Statement information for reconciliation & processing
4. Reporting functionality of full P&L, Balance Sheet, General Ledger (Drill down)
5. GST Reporting by GST Code
6. GST Auditing processes (exception reports (no code, non-default code)) Export of General Ledger into excel and importable format for accountants
 - a. BAS Preparation process (including ease of electronic lodgment by business or Agent)
7. Printing to PDF (As a minimum for retention of records)

Level 1 – Purchases for payment on account

1. Purchase/Creditors/Accounts Payable ledger:
2. Allows the purchase cycle and style that suits the business operation
3. Processing GST,
4. Automate batch payment process Automate email of remittance advices
 - a. including enable electronic payment direct to bank or via ABA file
5. Supplier statements can be generated
6. Supplier Detail transaction list reporting (enabling reconciliation)

Level 2 – Sales by Invoice & Debtor collection

1. Generate Tax Invoices
2. Allows sales cycle & process that suits the business operation (Item or Service invoicing)
3. Process for GST
4. Create and email (or transmit) electronic invoices (PDF or other)
5. Automate processing of direct receipts via the bank information imported #5 above
6. Item or Service Invoicing

Level 3 – Payroll

1. One process to establish employee in the system
 - a. creates the software record and setup of appropriate taxes etc
 - b. creates the payroll packages that the business uses
 - c. produces the TFN dec (preferably enables automatic lodgment)
 - d. produces the SG Fund nomination form
 - e. produces the Fairwork Information statement

2. Automates the regular payroll functionality Calculates and reports taxes and Super
 - a. Allows for efficient automation of payroll that suits the business
 - b. Batch Process
 - c. Standard pays
3. Calculates and reports allowances or pay categories
4. Produces compliant payslips
5. Calculates, reports, accrues, absorbs Leave categories
6. RDO / Time in lieu functionality (where required)
7. Produce Payment summary and enable automatic lodgment of EMPDUPE file

Level 4 – advanced processing for MultiCurrency, Inventory

1. Invoicing

Other functionality for all businesses above Minimum

Compliant business record retention for 7 years - accessible within or outside the software. Also please note we are making Bank Feeds pretty much a requirement for the most basic of any software to get a look in, noting that Bank feeds could include importing the QIF file.

We value your input ,so what do you look for as a minimum requirement in Accounting Software today? Discuss at your network meeting, let us know your thoughts, post comments and questions on the forum.



[Let us know your responses and thoughts here](#)

Last month we asked you:

My client gives their employees and subcontractors incentives and gifts like movie tickets, (worth \$60 - \$100).

When I called the ATO they said that this is deductible, but you can't claim any GST on the amount and it is classified as entertainment, but I have heard other bookkeepers recording it in different ways.

What is the best way to record these expenses and can I claim the GST?

Our response:

Please see the ICB reference "[FBT Guide for Bookkeepers](#)" for more detail.

There are several factors to consider when looking at entertainment expenses. Some entertainment expenses are exempt from Fringe Benefits Tax, but tax deductible, some are exempt but not tax deductible, and other types of expenses are subject to FBT.

Factors to consider		Explanation
1	How frequently and regularly benefits that are identical or similar to the minor benefit are provided.	The more frequently and regularly identical or similar benefits are provided, the less likely it is that the benefit will be an exempt minor benefit.
2	The total of the values of the minor benefit and identical or similar benefits to the minor benefit.	The greater the total of the value of the benefit and other identical or similar benefits, the less likely it is that the benefit will be an exempt minor benefit.

3	The likely total of the value of other associated benefits, that is, those provided in connection with the minor benefit.	The greater the total of other associated benefits, the less likely it is that the minor benefit will be an exempt benefit.
4	The practical difficulty for you in determining the value of the minor benefit and any associated benefits.	The more difficult it is for you to determine the value, the more likely it is that the benefit will be an exempt minor benefit and, The more difficult it is for you to keep the necessary records in relation to the benefit, the more likely it is that the benefit will be an exempt minor benefit.
5	The circumstances in which the benefit and any associated benefits were provided.	If the benefit was provided as a result of an unexpected event, such as overtime, it is more likely to be an exempt minor benefit. If the benefit is mainly given to the employee as a reward for services (that is, it is remuneration), it is less likely to be an exempt minor benefit.

If these tickets are offered as a one-off gift, then the expense ***is allowed as a tax deduction and GST is claimable***.

If these tickets are offered throughout the year and the total for each employee or contractor is more than \$300, then FBT may apply.

Minor benefits exemption examples

Example	Minor benefits exemption applies	Minor benefits exemption does not apply
Kate sends chocolates and flowers to Jane, an employee, on the birth of her daughter. The chocolates and flowers have a taxable value of \$105.	X This is an exempt minor benefit because the chocolates have a taxable value of less than \$300 and, looking at the five factors, it would be unreasonable to treat the chocolates and flowers as a fringe benefit.	
John provides his employee Steve with a year's membership, value \$850, to his favourite football club.		X This would not be an exempt minor benefit because the value of the membership is \$300 or more.
Every Friday Angela takes her 2 employees to a local hotel for lunch. The lunch for each employee usually consists of a main course and a couple of drinks and costs on average \$45.		X The value of the Friday lunch is only \$45. However, looking at the five factors, it would be reasonable to treat the regular Friday lunches as a fringe benefit. They are not an exempt minor benefit.

The manager of a small business gives Graham, an employee, a birthday present of two theatre tickets. The value of the tickets is \$234.

X

This is an exempt minor benefit because the value of the tickets is less than \$300 and, looking at the five factors, it would be unreasonable to treat the tickets as a fringe benefit.

Hampers or presents given to an employee at a Christmas function are not considered to be the provision of entertainment, but are considered to be a minor benefit exemption. For example, a hamper given to each of your employees at a Christmas function - that meets the conditions of the minor benefits exemption rule and is less than \$300 - will not attract any FBT.

The provision of a gift to an employee at Christmas time may be a minor benefit that is an exempt benefit where the value of the gift is less than \$300.

Where a Christmas gift is provided to an employee at a Christmas party that is also provided by the employer, the benefits are associated benefits, but each benefit needs to be considered separately to determine if they are less than \$300 in value. If both the Christmas party and the gift are less than \$300 in value and the other conditions of a minor benefit are met, they will both be exempt benefits.

ATO references:

<http://www.ato.gov.au/businesses/content.aspx?menuid=0&doc=/content/00108258.htm&page=7&H7>
<http://www.ato.gov.au/businesses/content.aspx?menuid=0&doc=/content/418.htm&page=2&H2>

Please note, FBT applies to employer/employee relationships only, therefore gifts or other rewards to **contractors** are an income tax consideration and Tax Agent advice should be sought as to the deductibility of gifts to contractors. If the expense is deemed deductible then claim the GST.

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Upcoming Network Meetings

Join a network meeting this month, not just to share, but to also network and keep informed.

All ICB Network Facilitators volunteer their time to assist ICB in keeping you up to date and informed and without the help of these fantastic people it 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.

Webinars		
Online 8th February, 2013 - 12pm (AEDST)	Online 11th February, 2013 - 5pm (AEDST)	
Queensland		
Gold Coast (am and pm sessions) 12th February, 2013	Brisbane North 12th February, 2013	Brisbane South 19th February, 2013
South Sunshine Coast 14th February, 2013	North Sunshine Coast 7th February, 2013	Logan 21st February, 2013
Bundaberg 5th February, 2013	Hervey Bay 18th March, 2013	Cairns 8th February, 2013

Toowoomba 8th February, 2013	Townsville 8th February, 2013	Moreton Bay 11th February, 2013
New South Wales		
Sydney - Balmain TBA	Sydney - Moorebank 6th February, 2013	Sydney - Randwick TBA
Sydney - Brookvale 4th February, 2013	Sydney - Hornsby 7th February, 2013	Sydney - Newport TBA
Sydney - Sutherland TBA	Ballina 1st February, 2013	Blue Mountains 21st January, 2013
Central Coast 13th February, 2013	Newcastle 13th March, 2013	Shoalhaven 11th February, 2013
Orange 31st January, 2013	Bellingen TBA	
ACT		
Canberra - Phillip 12th February, 2013		
Victoria		
Burwood (am and pm sessions) 6th February, 2013	Mordialloc 12th February, 2013	Docklands 8th February, 2013
Frankston 14th February, 2013	Lilydale TBA	Macedon Ranges 19th February, 2013
Geelong 12th February, 2013	Point Cook 12th February., 2013	Sale 14th February, 2013
Western Australia		
Balcatta 13th February, 2013	Bunbury TBA	Melville 6th February, 2013
Joondalup 18th February, 2013	Midland 13th February, 2013	
South Australia		
South Adelaide 31st January, 2013	Henley Beach TBA	Para Hills TBA
Unley 19th February, 2013	Mt Barker 15th February, 2013	
Tasmania		Northern Territory
Hobart TBA	Launceston 26th February, 2013	Darwin 12th February, 2013

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



Changes to Fairwork

Changes to the Fair Work Laws: What Your Clients Need to Know

The Commonwealth Government has made a number of changes to Australia's employment laws that will take full effect on 1st January 2013. Many of your clients – especially those running small and medium sized businesses will be entirely unaware of these changes, so the following summary will help you quickly easily explain what these changes mean for them.

1. Changes to Fair Work Australia

Australia's employment laws are currently enforced by a number of different agencies and courts. The two key agencies your clients are likely to interact with are:

- The Fair Work Ombudsman (FWO), which is responsible for promoting compliance with the laws and investigating complaints (www.fwo.gov.au), and
- Fair Work Australia (FWA), which is the primary employment relations tribunal where matters relating to unfair dismissals, industrial action and Enterprise Agreements are heard (www.fwa.gov.au) As of 1 January 2013, Fair Work Australia will be renamed the Fair Work Commission (FWC). Its powers and functions will remain largely unchanged.

2. Changes to Unfair Dismissal and Adverse Action Claims

Currently, employees who wish to make an application relating to an alleged unfair dismissal must lodge their claim within 14 days of their termination. In contrast, employees who wish to make an application relating to alleged 'adverse action' by their ex-employer have a more generous window period of 60 days to lodge their claim.

As of 1st January 2013, the deadlines for both types of applications will be harmonised to 21 days. This will prevent employees who have missed the shorter unfair dismissal application deadline lodging an adverse claim as their 'fall-back' option.

Further, the application process for unfair dismissal claims will also change. Aggrieved employees may be required to provide more detailed information about their dismissal on their initial application forms.

It will also become easier – in theory at least – for employers to obtain a costs order against an ex-employee (or their representative) where it can be shown that they:

- unreasonably failed to discontinue their application, or
- unreasonably failed to accept a settlement offer that could have resolved the claim, or
- caused the employer to incur costs as a result of their own unreasonable acts or failures to act

It's hoped these changes will make the system fairer for employers who have faced unreasonable demands from lawyers and agents acting for employees on a 'no-win, no-fee' basis.

3. Changes to Enterprise Agreements

Enterprise Agreement are 'collective' employment agreements made between employers and their employees. The Enterprise Agreement-making process is set out in the Fair Work Act 2009 and all parties must carefully follow this process in order for their final Agreement to be approved by Fair Work Australia (aka the Fair Work Commission).

Importantly, an Enterprise Agreement has no legal effect unless and until it has been formally lodged and approved by FWA.

From 1st January 2013, a number of new rules will apply in relation to the Enterprise Agreement-making process. These include:

- employers will be prevented from making an Enterprise Agreement that covers only one employee
- The content of the mandatory 'Notice of Representational Rights' that employers must give to employees at the beginning of the negotiation process will be strictly limited, and
- union officials will be prevented from bargaining on behalf of an employee if the union does not 'cover' the employee

It's very important to note that these changes are just the first wave of amendments that the Commonwealth Government may make to the Fair Work laws. It's important to keep on top of these changes to ensure your clients know – and comply with - all their legal obligations.

Have a great month.

David Bates BA(Govt) LL.B(Hons)
Managing Director
www.workforceguardian.com.au



Workforce Guardian provided this article as a free support to ICB and its members

[For more details regarding Worforce Guardian, click here](#)

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Super Clearing House a must from July 2014 or 2015

ALL EMPLOYERS MUST PAY SUPER THROUGH “A” CLEARING HOUSE

The effect of one of the Governments requirements for superannuation into the future is that all employers will eventually have to use an “approved” superannuation clearing house to make the payments into the superfunds.

You may be aware of one of the clearing houses in use currently: the Medicare Superannuation Clearing house (for less than 20 employees) and MYOB M-Powered Super and there are other commercial offerings now.

From 1 July 2014 it is proposed that employers with more than 20 employees MUST use the clearing houses.

From 1 July 2015 all employers.

We are a long way from this working so keep an eye out for developments.

From the ATO -

<http://www.ato.gov.au/superfunds/pathway.aspx?sid=42&pc=001/149/032&alias=datastandards>

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This month... **January**

ICB Members Meeting Agenda - open also to non members

ICB's 2013 National Conference

Today's Bookkeeping Towards Tomorrow



ICB MEMBERS MEETING

NOTICE OF MEETING

March 2013 – 9 locations 3 to 4 pm

Please raise any matters for discussion or any questions for the Directors prior to 15th February by emailing Simone@icb.org.au

Agenda (as of 25th January, 2013)

- for questions and endorsement

- Operational Report
- Financial Report
- Program Overview/Report
- 2012 what we did
- 2013+ what we look to achieve
- Policy & Philosophy statement of / for ICB

If you plan to attend just the Members Meeting, drop us an email - admin@icb.org.au - but don't stress and there is no cost.

Directors

- John Birse (Chair of meeting)
- Matthew Addison (Executive Director)
- Amanda Linton (Director)
- Garry Carter – not in attendance (Chair & President of ICB Global)
- James Carter – not in attendance (Director / COO)

Also in Attendance will be key personnel from ICB:

- Rick Van Dyk (Program Director)
- Chris McComb (Technical Director)
- Jo Voight (Support & Technical Officer)
- Deb Thomson (Publication & Presentations)
- Duly supported by Carmel Wright and Simone Hall

The Institute of Certified Bookkeepers Limited is an Australian company limited by Guarantee. That Guarantee is provided by ICB Global. The 5 corporate directors lead the organisation and oversee the compliance and directions.

Executive Director Matthew Addison heads the operations with the 9 members of the ICB Team.

ICB Australia is a member based professional association of bookkeepers for bookkeepers.

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Microsoft Office - 10% off



A Microsoft Office product key gives you access to the full Microsoft suite of office software. Whether you're wanting to create a professional looking presentation with Powerpoint, powerful spreadsheets and charts with Excel or beautifully laid out and edited documents with Word, this one card will allow you to download the software straight to your PC.

To decide which version is right for you [click here](#)

ICBenefits is quick, it is easy and it is **FREE** for all ICB Members to register.

Start saving today..... just go to www.icbenefits.com.au (or click on the image to the left) and use your ICB member number to register.

If you have any questions at all regarding the program, in the first instance contact the rewards program provider on 1300 900 186 or on the www.icbenefits.com.au website.

Otherwise please contact ICB at admin@icb.org.au or 1300 85 61 81

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Business Newsletter - eBrief - January 2013

Welcome to the ICB January 2013 Bookkeeping eBRIEF, YOUR newsletter for YOUR business.

Bookkeeping eBRIEF is a business newsletter.

Keeping you and your business in front, well regarded and respected.



Click the button to subscribe now and each month you will receive the Bookkeeping eBRIEF directly to your inbox

You can download the January newsletter for your clients here:

- [January 2013 Bookkeeping eBRIEF](#)

[Back copies are available here](#)

Templated client information newsletters are not a new concept but are certainly a new concept in bookkeeper space.

"The best bookkeepers using the best resources".

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ICB invites nominations for Fellow Membership admission

This year, we are looking for your assistance in nominations for Fellow Membership.

Selection Criteria (one or more of the following):

- Provided significant contribution **into ICB** and the membership over a period of time
- Significant contribution to the Bookkeeper community
- Contributions to resources and support
- Network facilitation
- Bookkeepers helping Bookkeepers
- Representing ICB
- Bookkeeper education
- Considered and approved by the admissions board

If you know someone suitable for ICB Fellow membership, a Fellow Membership nomination form is [available here](#).

Nominations are to be received by 31st January, 2013.

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What's new this month

New Resources

- Employee / Contractor - [Link](#)
- Emergency Plans - Worksafe requirement for ALL business - [Link](#)
- ETP Payments in QuickBooks - [PDF](#)
- Not for Profit - [Link](#)
- Small Business Information - [Link](#)

News Items

- [MYOB's 7 steps to boost your business this year](#)
- [December 2012 Members Newsletter podcast](#)
- [Intuit QuickBooks Online - State based workshops](#)
- [Reckon - SMB Digital Trands Survey](#)

ICB Q & A Space News

It has been a little quite on the ICB Q & A Space during December / January, as is to be expected :).

We have seen queries regarding [Contracts with Clients](#), [Non BAS Agents](#), [Part time salaries paid monthly](#), and [What are \(BAS\) Revision Type Indicators?](#) - what are your thoughts on these issues?

Keep asking your questions on things you are not sure of. Remember there is no such thing as a stupid question.

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](#)

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From the ATO

Fail to lodge on time...

Failure to lodge on time.....with the ATO

THE AMOUNT HAS INCREASED \$170 for each 28 days

(it was \$110 but it goes up for 2013)

If you are 1 day late the ATO can charge \$170

When you get to the next set of 28 days (ie day no 29) it is another \$170

And so it continues for a maximum of 5 * \$170 or \$850

Larger entities pay multiples of the \$170 for each period

Which forms?

For BAS Agent related work

- Activity Statements
- PAYG Withholding annual reports
- Annual GST Returns & Annual GST information reports

Also relates to

- income tax returns
- FBT returns

Does not apply to

- SGC related
- SMSF Supervisory Levy related

It is automatic

Well nearly

The ATO computer will apply it automatically however not if;

- ATO expects the entity doesn't need to lodge
- If the entity is entitled to a refund
- If the liability is Zero

Penalty notice

A penalty notice will issue to the entity

Normally after a warning (ie you broke the rules once already)

The notice contains the due date for payment

Interest will apply if it is not paid

Avoid the penalty

Talk to the ATO in advance if there are problems

Further information

<http://www.ato.gov.au/taxprofessionals/content.aspx?menuid=0&doc=/content/20967.htm&page=1&H1>

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94.6% GST is correct

Ignoring how much GST may be an outstanding debt to the ATO, the ATO recently reported that for the 2009/10 year there was a 5.4% GAP between what statistics say should have been collected and paid as GST and what was actually reported to them.

2011/2012 GST performance report

GST PERFORMANCE

The ATO 2011-12 performance in relation to GST is in!

It says:

\$46b GST (up from \$44b in 09-10)

GST Debt outstanding

- Balance of \$5.1b of which only \$3.5b is collectable (\$4.3b & \$3.2b respectively 09-10)
- \$886.8m written off
- Ageing of balance by no of cases 13,059 totalling \$191.7m90days

Interest paid on Delayed refunds (ATO withheld and then had to pay interest) \$15.7m (\$9.7m)

For a full report

<http://ato.gov.au/content/00336240.htm>

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ICB Links

- [Apply for ICB Membership here](#)
- [Renew your ICB Membership here](#)
- [BAS Agent updates and information](#)
- [Other Newsletters](#)
 - [The BAS Agent](#)
 - [ATO Small Business Newsletter](#)
 - [Workforce Education News](#)
 - [The Association of Payroll Specialists \(TAPS\)](#)
 - [Calxa](#)
 - [Xero Bookkeeper News](#)

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ICB Membership Statistics

3,424

2,086 Members maintain Fellow, Member, Associate, Affiliate and Educator membership, ICB also has 1,249 Student Members and 89 Subscriber Members.

During the last month we have admitted 21 new Members, upgraded 12 Students to Member status and admitted 25 new Students. We have also renewed 100 Members and 8 Students / Subscribers.

ICB Supporters and Sponsors

Insurance Made Easy providers of Professional Indemnity Insurance for bookkeepers and BAS Agents

MYOB has sponsored the ICB Network meetings as a direct support of the need for members of the ICB and other bookkeepers to get together for development and networking. MYOB has engaged ICB to provide the assessment knowledge and expertise behind the MYOB Approved Bookkeeper program

Xero proudly supporting ICB as a major sponsor to assist ICB in providing bookkeepers to their business and clients

ICB Global continues to support ICB Australia through the provision of web resources, database infrastructure, bookkeeping resources, information and IT support.



Please note that, in between newsletter issues, articles may be published straight to the *Latest News* section of the website. Please check the headlines which can be found in the top right of the website homepage, to ensure you stay up-to-date.

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.

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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