



THE INSTITUTE OF CERTIFIED BOOKKEEPERS

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**THE INSTITUTE
OF CERTIFIED
BOOKKEEPERS**

Bookkeepers helping Bookkeepers help Business

February 2013

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News, views and things you need to know

Welcome to the ICB's February 2013 Newsletter. You can view the [web version here](#)..

Contents

Important News

- 2** [Help change our law!!!](#)
- 6** [2012 Survey results released](#)
- 7** [Final call to the 2013 ICB Conference](#)

Best Practice Bookkeeping

- 7** [Bookkeepers and advising on awards](#)
- 8** [Budgets and Cashflows - explaining the difference](#)
- 9** [Dealing with disasters - Information from the ATO](#)
- 9** [How to book car expenses where different FBT methods apply](#)
- 10** [Would I audit / review an association?](#)

The BAS Agent World

- 12** [Knowledge on the Code of Conduct for BAS Agents](#)

CPE (Continued Professional Education)

- 13** [This month from the ICB CPE webpage](#)

ICB Network Meetings

- 14** [Thanks to the ATO](#)
- 14** [Question for you to discuss this month??](#)
- 16** [Upcoming Network Meetings](#)

Other things happening in the world

- 18** [Online business resource](#)
- 18** [Workplace Policies: Why they matter to your clients](#)
- 19** [MYOB Cloud Tips](#)
- 21** [Understanding the Cloud](#)

From the ICB

- 22 [ICB Members Meeting Agenda](#)
- 23 [ICBenefits - Australian Ugg Boots - 10% Cashback](#)
- 24 [Client Newsletter - eBrief - February 2013](#)
- 24 [What's new this month](#)

From the ATO

- 25 [Credit cards used to match information](#)

[ICB Links](#)

[ICB Membership Statistics](#)

[ICB Supporters and Sponsors](#)

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

Important News for You

- Why choose you?

Best Practice Bookkeeping

- New Employee Checklist
- ICB Guide to Fringe Benefits Tax (FBT)
- Review - Chattel Mortgage coding

Important News for you

Help change our law!!!

POSITIVE ACTION TO SUPPORT CHANGE

***** A change to the definition of what is included as a BAS Service
***** a new clause to be added Insert:

(1A) The Board may, by legislative instrument, specify that another service is a **BAS service**.

This allows the Board to be positively reactive to recognise that other law changes or existing laws which are typically administered by BAS Agents can be included as a BAS Service. We consider two very important and significant items require immediate clarification and certainty to be provided

1. The ascertaining of an obligation or liability of the taxpayer, the provision of advice to a taxpayer, the provision of information to the commissioner in relation to the Superannuation Guarantee laws and the Superannuation Guarantee Charge laws.

2. The ascertaining of an obligation or liability of the taxpayer, the provision of advice to a taxpayer, the provision of information to the commissioner in relation to the Construction Industry reportable payments system (which requires reporting in July 2013).

If you do no more please support this change to; both the treasury submission process on this draft and also to the TPB itself.

To Treasury:

Closing date for submissions: Friday, 8 March 2013

Address written as a word document or in body of email; submissions to:

Email: taxagentservices@treasury.gov.au

General Manager
Revenue Group Law Design Practice
The Treasury
Langton Crescent
PARKES ACT 2600

AMENDED TAX AGENT SERVICES ACT2009

We write to support the principle expressed in Exposure Draft of the Amendments to the Tax Agent Services Act 2009.

Specifically

19 After subsection 90 10(1)

Insert:

(1A) The Board may, by legislative instrument, specify that another service is a **BAS service**.

As a BAS Agent in Practice there are a number of real world duties that our clients expect us to perform that need to be included in our permitted roles. We support this change to allow the TPB to then immediately specify

1. The ascertaining of an obligation or liability of an entity, the provision of advice to an entity, the provision of information to the commissioner in relation to the Superannuation Guarantee laws and the Superannuation Guarantee Charge laws.
2. The ascertaining of an obligation or liability of an entity, the provision of advice to an entity, the provision of information to the commissioner in relation to the Construction Industry reportable payments system (which requires reporting in July 2013).

We also support the concept provided in the increased provisions as to Professional Indemnity Insurance. We believe that for an Agents registration to be valid they must have a valid PII policy in place.

We see that by allowing the TPB to be able to respond to changes to other laws in this manner will be more appropriate.

Please contact us if you would like any further information in relation to the effects of this regime on my business.

Yours faithfully

To the TPB:
Email to enquirymanagement@tpb.gov.au

Mr Ian Taylor
Chairman
Tax Practitioners Board

Dear Mr Taylor

AMENDED TAX AGENT SERVICES ACT 2009

We write to advise we have submitted to treasury in support the proposed change to the TASA2009 in respect to the definition of "BAS Service".

Assuming the successful passing of this amendment we seek immediate action by the TPB in relation to including in BAS Services;

1. The ascertaining of an obligation or liability of an entity, the provision of advice to an entity, the provision of information to the commissioner in relation to the Superannuation Guarantee laws and the Superannuation Guarantee Charge laws.
2. The ascertaining of an obligation or liability of an entity, the provision of advice to an entity, the provision of information to the commissioner in relation to the Construction Industry reportable payments system (which requires reporting in July 2013).

Both of these duties are regularly requested of us in our role with clients. We are competent and aware of the laws in assisting "entities" with meeting their compliance obligations in these areas. We are also in the best position to assist clients in meeting these obligations.

Please contact us if you would like any further information in relation to the effects of this regime on my business

Yours faithfully

ICB Observations about the other proposed changes

AS TO BAS AGENTS the following changes are also proposed

- A. To obtain a registration or renew your registration you must "maintain, or will be able to maintain professional indemnity insurance....."
 - o We observe that this is a tightening and clarification of the law in relation to the requirement for a registered BAS Agent to have PII.
 - o ICB supports this concept that all registered BAS Agents before registration should have and must maintain PII.
 - o We shall also seek whether a registration could be considered cancelled should an agent allow the PII to lapse.

- B. When you renew your registration you must have completed the required Continuing Professional Education requirements (15 hours per year or 45 in 3 years).
 - o We observe that this is a tightening and clarification of the law in relation to the requirement to undertake CPE. We support this technical change.
 - o We also seek from the TPB assurance that the CPE undertaken by all agents remains CPE that is “relevant” to the tax/BAS services provided by the agent. We are concerned that some Agents only undertake CPE in non tax related areas.
- C. You must notify the Board if there is a change to your business or email address or other circumstances relevant to your registration.
- D. Should you breach the code of conduct you will not be able to avoid the consequences simply by surrendering your registration.
- E. The Board may notify your Professional association of the outcome of any investigation against you.
- F. It is now an appealable decision if following an investigation the Board makes a decision “not to terminate registration” This allows a complainant to seek a further review of their complaint.

FINANCIAL PLANNERS ARE BEING ADMITTED as “tax (financial product) advisers”

1. Financial Planners are being admitted and called “tax (financial product) adviser” referred to as “TFPA” hereunder:
 - o ICB would prefer the name “Financial Product Tax Adviser”. We are concerned that very quickly they will adopt the term “tax adviser” which implies a greater range of services.
2. They have to meet the same fit and proper requirements and also the requirements in the Regulations (see below).
3. They are required to have the same supervisory outcomes as required of other registered Tax Agent or registered BAS Agent entities in order for others in the entity to provide what is being called “tax advice (financial product) services”
 - o ICB would prefer the term “Financial Product Tax Advice Services”
4. The TPB will need to notify both the ATO and ASIC about their registration or if a TFPA registration were to be suspended to terminated
5. BAS Agents cannot do TFPA work, a TFPA cannot do BAS Agent work a Tax Agent can do both (but only financial planning work if they are also a registered financial planner with ASIC). What about BAS Agents who are also Financial Planners? Are there any? Our reading of this law would require you to register as both a BAS Agent and then also as a Tax (Financial Product) Adviser.
6. A TFPA is not permitted to make statements to the commissioner on behalf of the client or sign declarations to the commissioner. Their role is to advise on the tax implications of Financial Products, however we are concerned with the definition of their service:

90 15 Meaning of tax advice (financial product) service

A tax advice (financial product) service is a *tax agent service provided in the course of advising on one or more financial products to the extent that:

- a. the service relates to:
 - i. ascertaining liabilities, obligations or entitlements of an entity that arise, or could arise, under a *taxation law; or
 - ii. advising an entity about liabilities, obligations or entitlements of the entity or another entity that arise, or could arise, under a taxation law; and

- b. the service is provided in circumstances where the entity can reasonably be expected to rely on the service for either or both of the following purposes:
 - i. to satisfy liabilities or obligations that arise, or could arise, under a taxation law;
 - ii. to claim entitlements that arise, or could arise, under a taxation law.

> Better positioning would be to recognise the role of the TFPA which is to provide the tax impact of a decision on a FP. We therefore believe that 90-15(b) should be amended to read:

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

1. The TFPA will be able to "notify" into the system from 1/7/13 until 31/12/14 which gives them a registration until 30/6/16
2. The TFPA will also be able to "transition" into the system from 1/1/15 until 30/6/16 following proof of "sufficient experience" to a "competent standard"

For a full copy of the ICB submission in relation to the above and a couple of other matters, refer to our BAS Agent page www.icb.org.au/BAS_Agent

<http://www.treasury.gov.au/ConsultationsandReviews/Submissions/2013/Creating-a-regulatory-framework-for-tax-advice>

[Return to top](#)

2012 Survey results released

The Bookkeeping sector reports on its growth and development and professionalism. Much is changing but much is staying the same.

The survey indicates some of the "known" descriptors of the bookkeeping sector: 80% female, 75% over 40, 80% owning the bookkeeping business (45% with more than one person, 40% as sole trader. Also noting that over 70% still did not have any other full time employee). Working hours are consistently over 30 hours per week.

Attitudes to Continuing Education show that 1 day conference (60+%), newsletters (70%), provide significant appeal while Webinars also received a 70% support rate.

Charge rates average has moved up with a shift from 41% below \$50 to now only 33%. Typical turnover of the businesses remain in the range \$50k to \$75k. 40% have between 1 and 10 clients with 22% over 30 clients.

MYOB remains the significantly dominant (72% down from 79%) software being used by the respondents with 11% responses from Xero users, up from 4%. The satisfaction rate overall being significantly positive (90% up from 85%). Different software for different clients appears to be increasing with Xero stake being a notable "changer".

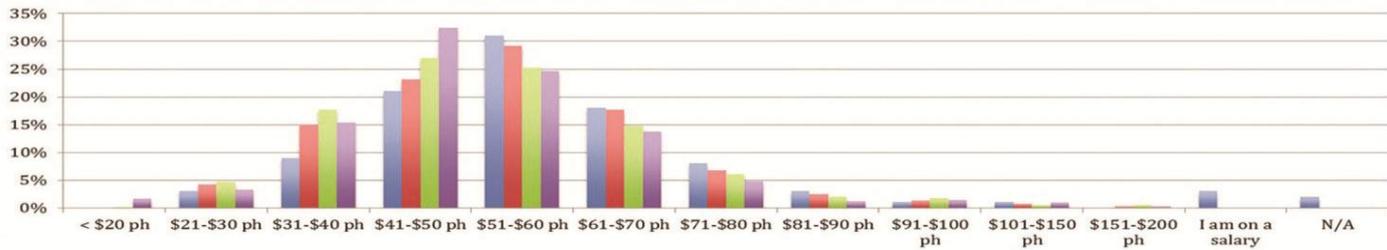
Over 60% use the BAS Agent portal to obtain the integrated client account – a great productivity improvement achieved this year. 28% using SBR software (GovReports 24%) to lodge BAS and EMPDUPE files.

Cert IV is the standard qualification for bookkeepers 66%.

Only 50% state that being a BAS Agent has improved their business.

Explanations

The majority of graphs are shown with the y axis as a %. This allows a direct proportionate comparison of the results. Not all questions were answered by all participants accordingly the exact population differs between questions.



What fees do you charge for your bookkeeping services?

[Full survey results are available here](#)

[Return to top](#)

Final call to the 2013 ICB Conference

889 people currently registered to join us in one of nine locations throughout March. [Register now.](#)

The manual is complete – 208 pages of resources to be discussed!

The Bookkeepers Paradigm is shifting

Bank Feeds change what we do – or do they?

Offsite / remote bookkeeping

Document scanning and dissection – does it mean anything to us

Accountants can and do and should refer you work. Accountants can and should be fighting for you to bring them your work

Best Bookkeeping Practice Management

Best Bookkeeping – Long Service Leave and Terminations

[More information regarding the conference here.](#)

ICB Annual Members meeting from 3 to 4pm at each location – [details here.](#)

[Return to top](#)

Best Practice Bookkeeping

Bookkeepers and advising on awards

Industrial Relations, Fairwork, which award?

Where does it start and stop?

The question that was asked of our support team: “for Payroll” – What is a bookkeepers responsibility for keeping up to date with awards?” is indicative of that total question of where does our work start and stop?

The answer: What is it that you have agreed with your client? Yes I know that is a frustrating answer sometimes as the business management or owners typically feel that once they have a bookkeeper in place then they have delegated (read abdicated) the entire worry from themselves to you as Bookkeeper. Many businesses assume that all such items are being looked after by you.

The Action: Ensure that the area of concern, in this case the application of the correct and update awards, is both known as something to be addressed and also ensure that it is agreed as to who is doing it. It is also important to agree as to how much time is to be allocated to this work.

It should then be included in your constant communications with the business management: Raise the questions that need to be raised Seek approval to obtain the answers If it within your skill area then work to provide the information and do the work or include others in the research and advice as appropriate. Advise management of the answers and the impact Implement the changes as directed by management.

SO: What is a bookkeepers responsibility for keeping up to date with awards? It is definitely a question you should ask each business that you are involved with. Agree if you are to be involved.

If you do not want to be providing this advice, make sure that the business management are aware that it is NOT an area that you are looking after for them.

As always:

1. Advise generally
2. Clarify level of engagement
3. If applicable advise specifically

[Return to top](#)



Budgets and Cashflows - explaining the difference

Information supplied by Calxa

The difference between a budget and a cash flow forecast can sometimes be confusing in the beginning. They can seem to show similar information yet both are very different and have different uses. Both are essential for the accurate financial management of your organisation.

A budget details what you plan to do with your finances for the relevant period of time.

This is usually over 12 months, and focuses on profit. In addition:

- Accruals and other non-cash adjustments such as depreciation are often included.
- A budget also reflects the planned objectives of what the organisation is trying to achieve and is linked to the strategic and business plans of the organisation.
- A budget also provides a benchmark to then monitor performance. After each month you can compare what actually occurred against what was budgeted or planned to occur.
- Usually the full year budget is broken down into months

A budget is **NOT** used to monitor the amount of cash in the bank accounts. That is where the cash flow forecast comes in.

A cash flow forecast details when the actual receipts and payments are likely to occur.

- A cash flow forecast reflects when the actual income and expenditure is transacted from the actual bank account.
- It is not based on accrual accounting and adjustments such as depreciation are excluded.
- Large capital purchases not reflected in a profit and loss budget will be included in a cash flow forecast.

- The full year cash flow forecast is mostly broken down into a month by month basis. But in some instances it can be further broken down into fortnightly or even week by week depending on the circumstances

The main difference between a budget and a cash flow forecast is based on:

1. The type of the transaction and;
2. The timing when receipts and payments will occur

As a simple example: a budget will record the income when you have sent out the invoice whereas your cash flow will record it when you actually receive the amount in your bank account.

One point worth mentioning is not to assume that debtors will pay the following month. Often it may be later which is why it is important to know your Average Debtor Days which may show that payment occurs typically 64 days after sending out the invoice.

This also highlights the value of knowing some important [Key Performance Indicators \(KPIs\)](#) such as:

- Debtor days
- Creditor days
- Inventory turnover days
- Working capital ratio

Understand the difference between a budget and a cashflow forecast and you'll be well on the way to managing your finances.

This information can be found on the Calxa website, [click here](#)

[Return to top](#)

Dealing with disasters - Information from the ATO

Once again parts of Australia are subject to the effects of Natural Disasters. At the same time as parts were on Fire, other parts were under water.

The ATO constantly apply discretion and consideration to those effected by such events:

refer: <http://www.ato.gov.au/individuals/pathway.aspx?sid=42andpc=001/002/050>

In the ICB January Newsletter we provided information about creating "Emergency Management plans", [click here for details](#).

[Return to top](#)

How to book car expenses where different FBT methods apply

How to book expenses for the Car – different types of claims

If your business is conducted as a sole trader/individual:

Then car expenses can be claimed for income tax as:

1. cents per KM (less than 5000km)
2. 12% of cost of vehicle (more than 5000kms)
3. 1/3 of actual expenses (more than 5000kms)
4. Actual business % (based on 12 consecutive weeks of logbook)

What does this mean for keeping the books and records?

Arguably all car expenses should still be caught as business expenses and coded into the expenses and then it is up to the Tax Agent to get the right treatment for the tax return.

However it has an impact for GST! Technically and correctly all GST can be claimed back (if your client is GST registered etc etc) at the time of the expense BUT then there must be a GST adjustment (ie pay some GST back to the ATO) based on the private use of the vehicle. The Tax Agent advises how much was claimed as a tax deductible business expense, work out the GST that would apply to that amount and then reduce the next BAS (claim for GST back) by the difference between what was claimed and what should have been claimed for the entire tax year.

If the individual only claims c/km then NO GST should ever be claimed on the car expenses.

If your business is conducted as an entity and the car is provided for part private use then FBT probably should apply. FBT makes all expenses for the car deductible and therefore a full GST claim (all other things being equal).

How do we book this – just claim all the GST and allocate all expense to the expense.

What records are required for FBT?

Help out your business owner and the accountant by ensuring:

1. Odometer readings are taken on all company owned cars.
2. Log books are kept for a consecutive 12 week period each 5 years for a car or when the driver changes or if a new car for the same driver then a new log book
3. Dissect the entertainment expenses according to the classes of entertainment as described in the ICB guide to FBT.
4. Seek further guidance from the accountant for any other information they may require.

Note: FBT is fairly ugly and fairly complicated. A Bookkeeper and BAS Agent cannot advise on the imposition of FBT on a business however you can still book expenses and collate information for the Tax Agent to properly advise on FBT matters.

Further Information

For individuals

<http://www.ato.gov.au/content/00313836.htm>

ATO Calculator for car expenses

<http://calculators.ato.gov.au/scripts/axos/axos.asp?CONTEXT=andKBS=Car.xr4andgo=ok>

ICB Car Allowances vs Reimbursements, [click here](#)

Everything FBT from the ATO

<http://www.ato.gov.au/content/76140.htm>

[Return to top](#)

Would I audit / review an association?

Would I Audit or Review an Association?

Yes, I would review

No, I wouldn't Audit

Increasingly bookkeepers are being asked to review the work of another bookkeeper or in some cases “audit” a set of books. You cannot “audit” as the market now is permitted to make assumptions about the qualifications and competence of an audit.

However we do believe you can issue a “Statement of Review” of the books and records of an association.

We also believe that it is appropriate for a bookkeeper to be engaged to review the work of another. However as with all assignments, be precise about your level of engagement: what is it that you need to report on to deliver the expectations of the business.

We have seen various reviews conducted by members which include criticism of another bookkeeping where it isn't that the other person was wrong but just that it was performed a different way. When reporting back to the business on a matter of difference ensure that the outcome to the business and its reporting would be different. Is the issue you are commenting on a different approach that means the results are different, or is it just a different style?

From ICB's August 2011 Newsletter:

*Bookkeepers approached to provide “Audit” of an organisations accounts.
“Statement of Review” by an ICB member maybe appropriate.*

“My business has been approached by various not for profit organisations in regards to auditing of their accounts and I was wondering if I was legally able to offer this service?”

POLICY

If the organisation is prepared to have you "audit" their books they must know and acknowledge to you in writing that you aren't a registered company auditor. You need to advise them in writing of your degree of audit training and knowledge and experience.

The biggest legal impediment would be the organisations own constitution. If their constitution requires a formal audit or states it must be by a registered company auditor then you cannot accept the appointment.

In concept there is nothing stopping you, however, we strongly recommend you DO NOT issue an audit report. This would be seen as misleading as an audit report would need to be issued following an appropriate and accepted audit process (refer accounting standards for guidance).

At best you could review the information and issue a "statement of review".

BEFORE YOU ISSUE A STATEMENT OF REVIEW

In order for you to provide such a statement you must conduct processes and procedures that provide satisfactory reason for you to form the views expressed in the “Statement”. You must ask yourself if someone challenged your view, have you got satisfactory evidence and reason, documented and proven, to be able to show why you have formed the view.

Unless you are trained as an Auditor and registered as an Auditor, do not give any impression that you have conducted audit techniques, or undertaken audit procedures. To use such terms could leave you open to be challenged.

If the organisation is prepared to have you “audit” their books they must know and acknowledge to you in writing that you aren't a registered company auditor. You need to advise them in writing of your degree of audit training and knowledge and experience. The biggest legal impediment would be the organisations own constitution. If their constitution requires a formal audit or states it must be by a registered company auditor then you cannot accept the appointment.

In concept there is nothing stopping you, however, we strongly recommend you **DO NOT** issue an audit report. This would be seen as misleading as an audit report would need to be issued following an appropriate and accepted audit process (refer accounting standards for guidance).

At best you could review the information and issue a “statement of review”.

[A draft Statement of Review can be found here](#)

Knowledge on the Code of Conduct for BAS Agents

If you are a current BAS Agent, it is expected that you have knowledge of the Code of Conduct through firstly reading the TPB website and also through ongoing Professional Development activities.

If you are not currently registered but intend to apply for new BAS Agent registration, then from July 1st 2013, it will be a requirement for your qualification to include a component on knowledge of the Professional Code of Conduct. It isn't necessarily a separate unit of study, simply that it needs to be covered as part of the qualification, or embedded within units relevant to GST and BAS principles. The training organisation should be able to verify that this information is covered in the course.

In our newsletters we often include a section on Applying the Code of Professional Conduct: Participation in Network Meeting discussions on the newsletter material, Reading and applying the newsletter information, reading and applying the ICB Definitive guide on "Applying the Code of Conduct" would be considered part of your continuing education requirements and accordingly fulfil this requirement of knowledge.

The TPB requirement is approximately 3 hours or half a day. If you read all our information on this topic as above, you will certainly log more than the 3 hours.

If you have not had anything to do with the TASA 2009 or the Professional Code of Conduct then it is required that you undertake separate study on the Code of Conduct; this definitely applies if you are applying for registration after 1/7/13 and if your qualification did not include the required material.

So far we are not aware of anyone offering a stand-alone course that we believe is of value and relevance to the BAS Agent. Accordingly ICB are working towards an information and education kit including an assessment on the Code of Conduct. This will be designed to fulfil the requirements of the TPB Code of Conduct knowledge as well as count towards Continued Professional Development hours.



The BAS Agent Definitive Guide Volume 2

Applying the Code of Conduct

All FULL members of ICB will have a copy of this book containing all you need to know regarding the BAS Agents Code of Conduct requirements.

See this link for more detail:

http://www.tpb.gov.au/TPB/Publications_and_legislation/I/0275_TPBI_10_2011_Required_knowledge_of_the_Tax_Agent_Services_Act_2009.aspx

[Return to top](#)

This month from the ICB CPE webpage

Upcoming events

[Today's Bookkeeping Towards Tomorrow](#)

Nationally
March 2013

[ICB Network Meetings](#)

Nationally, Monthly

[Improve your Excel 2010 Skills - Sydney](#)

2nd March, 2013
9.15am - 4.30pm

[How to use the latest and greatest features in MYOB Version 12](#)

Webinar
4th March, 2013
10am (AEDST)

[Transition to MYOB AccountRight Live](#)

Webinar
4th March, 2013
1pm (AEDST)

MYOB Partner Briefing 2013

[Perth](#) - 5th March, 2013

[Brisbane](#) - 7th March, 2013

[Adelaide](#) - 8th March, 2013

[Sydney](#) - 12th March, 2013

[Melbourne](#) - 13th March, 2013

[Your Guide to a Professional Bookkeeping Business - Sydney](#)

10th March, 2013
10am (AEDST)

[QB's Webinar - Perfecting Payroll](#)

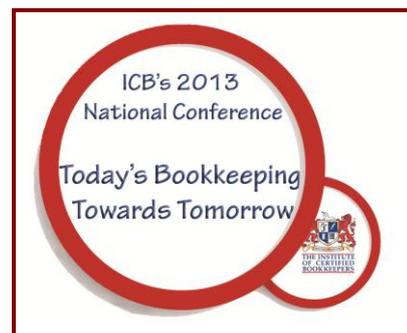
Webinar
11th March, 2013
10am (AEDST)

[MYOB Tips and Tricks - Sydney](#)

14th March, 2013
1.30pm - 4.30pm

[Getting a Grip on Pivot Tables in Excel](#)

Webinar
26th March, 2013
1.30pm (AEDST)



Thanks to the ATO

Thanks ATO, we appreciate your time.

Following a request from a couple of network meeting facilitators we approached the ATO for their attendance at some meetings. Senior ATO directors made themselves available to attend about 12 of our meetings during February.

Those meetings where the ATO Director and our members were able to delve into discussions, open range topics have gone down well. As always some groups worked better than others but we would like to express our thanks to the ATO for their involvement and note that we remain open to letting you (the ATO) know how things are going from the ICB Professional Bookkeepers view of how it really is out there.

Typically the ATO now provide their training to Bookkeepers and BAS Agents through the following program, as described by the ATO:

To provide further detail, the ATO's Seminars area has undergone a significant transformation in the last 12 months and we no longer have the broad range of topics available to deliver to groups on an ongoing basis. We have also shifted our delivery almost completely to webinars (online seminars).

We have a program of regularly scheduled webinars:

14 topics for Small business operators

2 topics for Rental property owners

3 topics for Trustees of SMSFs

1 topic for BAS agents

1 topic for Tax practitioners.

Details of our program are available at: ato.gov.au/seminars

We recently completed our BAS agents update program. It was delivered by webinar and ran from 15 to 31 October 2012, with three extra sessions in January for agents who missed the main program. We anticipate that our next program will be delivered in May/June 2013; we will use email invitations, an article in the BAS agents newsletter and the ATO's website to advertise the sessions in due course.

[Return to top](#)



Question for you to discuss this month??

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

You have a new client who is a sole trader, and has been paying his superannuation to his super fund. He codes it to a business expense account. Is this acceptable or should it be coded to owner drawings? Whose decision is it to make?

The same client had to register for GST. He has only just registered but in fact should have registered over 6 months ago when his earnings went over the threshold. This means he owes a significant amount of GST to the ATO. The accountant has advised you to claim the amount of GST as a bad debt. What do you think? How would you usually treat this situation?

Discuss at your network meeting, let us know your thoughts, post comments and questions on the forum.

Q & A Space

Making you count

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

Last month we asked:

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 (and automatic GST calculation)-comply in Australia
2. GST Default Coding by account
3. Import or automatic feed of Bank Statement information for reconciliation and processing
4. Reporting functionality of full P and 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 and Debtor collection

1. Generate Tax Invoices
2. Allows sales cycle and 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 Multi-Currency, 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.

Response:

The loudest and strongest answer we received in addition to our list was "Support, Support, Support"

When evaluating the software what is the backup provided by the company?

Is there any Support?

We have had software proposed to us where the developers proposition is that the software is so simple that it doesn't need any support!!!!

Well, we find that hard to fathom.

Especially for areas as critical as the business records and accounting records we are concerned that support does need to be in place.

A second and related item is the sustainability of the company and the longevity of the company. Will this provider be around in a year or two? If they disappear do I have any version of backup or offline or retained data?

Any further thoughts welcome.

[Return to top](#)

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 webinar on the 2nd Friday of each month.

Webinars		
Online 12th April, 2013 - 12pm (AEDST)	Online 14th April, 2013 - 5pm (AEDST)	
Queensland		
Gold Coast (am and pm sessions) 9th April, 2013	Brisbane North 19th March, 2013	Brisbane South 19th March, 2013
South Sunshine Coast 14th March, 2013	North Sunshine Coast 7th March, 2013	Logan 20th March, 2013
Bundaberg 5th March, 2013	Hervey Bay 18th March, 2013	Cairns 3rd May, 2013
Toowoomba 22nd March, 2013	Townsville 8th March, 2013	Moreton Bay 18th March, 2013

New South Wales		
Sydney - Balmain 18th March	Sydney - Moorebank 3rd April, 2013	Sydney - Randwick TBA
Sydney - Brookvale 8th April, 2013	Sydney - Hornsby 14th March, 2013	Sydney - Newport TBA
Sydney - Sutherland 17th April, 2013	Ballina TBA	Blue Mountains 4th March, 2013
Central Coast 13th March, 2013	Newcastle TBA	Shoalhaven 15th April, 2013
Orange TBA	Bellingen TBA	
ACT		
Canberra - Phillip 12th March, 2013		
Victoria		
Burwood (am and pm sessions) 16th April, 2013	Mordialloc 16th April, 2013	Docklands 12th April, 2013
Frankston 14th March, 2013	Lilydale 15th March, 2013	Macedon Ranges 16th April, 2013
Geelong 9th April, 2013	Point Cook TBA	Sale 14th March, 2013
Western Australia		
Balcatta 14th March, 2013	Bunbury TBA	Melville 3rd April, 2013
Joondalup 18th March, 2013	Midland 13th March, 2013	
South Australia		
South Adelaide TBA	Henley Beach 22nd March, 2013	Para Hills 13th March, 2013
Unley TBA	Mt Barker TBA	
Tasmania		Northern Territory
Hobart 18th March, 2013	Launceston 26th March, 2013	Darwin TBA

These meetings are conducted in a relaxed and informal environment to promote discussion amongst those attending the meetings.

No meeting in your area?

We are always on the lookout for facilitators to run meetings in their local area so if you are interested please contact Rick Van Dyk at rick@icb.org.au



ICB Network Meetings are proudly supported by MYOB

Online business resource

Resources from Business.gov.au

Getting your business online

Are you interested in starting an online business? By trading online you can save time and money, reduce your overheads and reach a much wider market. And you make it easier for your customers to do business with you.

If you plan to trade over the internet, you may still need to register your business name in the state or territory you intend to operate. You also need to find out what registration and licences apply to your business. Refer to our Registration and licences topic for more information on business registration.

Federal, state and territory governments offer a range of information and services to help you get your business online.

Follow the links at business.gov.au

[Return to top](#)



Workplace Policies: Why they matter to your clients

Australia's current employment laws – set out in the Fair Work Act 2009 – ensure your client's employees enjoy some of the most generous rights and entitlements in the world. However, these same laws provide your clients – Australia's employers – with very few rights in return. This is why good employment policies are so important.

Drafting and implementing comprehensive employment policies is one of the easiest ways your clients can restore the balance between employer and employee rights at work. Good policies ensure that employees bear their fair share of responsibility in the workplace and they make it easier for your clients to manage their businesses and discipline their employees when necessary.

Here are some useful hints and tips around workplace policies for you to discuss with your clients during your meetings with them in 2013. Make it your mission to help restore the balance in your client's workplaces by empowering your clients to implement comprehensive

1. **Ensure Policies are Compliant**

When creating new workplace policies, it's essential to ensure they're consistent with Australia's increasingly complex employment laws. Policies that breach these laws may expose your clients to legal claims, so encourage your clients to obtain expert advice and support.

For example, many employers have policies in place allowing them to make deductions from an employee's entitlements if the employee leaves employment while in possession of employer-owned property. This might sound reasonable (and we agree that it is!) but in most cases, this will be unlawful and heavy penalties can be imposed against your clients. This is because the Fair Work Act 2009 expressly states that deductions from employee pay or entitlements must generally be expressly authorised by the employee and must be for the employee's own benefit. That will be news to many of your clients!

2. Policies Need to be Publicised

Important workplace policies – such as those dealing with drug and alcohol use, social networking, dress standards and use of company internet – are effectively useless if your client's employees don't know they exist. Encourage your clients to publicise their workplace policies, either through hard-copy employment handbooks or online via intranet pages, if available.

Better still, your clients could highlight key policies during regular staff meetings or during one-to-one annual reviews and allow their employees to suggest amendments or improvements and ask questions about the policies. This will create a meaningful, and important, dialogue between your clients and their employees.

3. Enforce Workplace Policies

Your client's employees will only take workplace policies as seriously as your own client does. If he or she routinely 'bends the rules' or pays little attention to the requirements and standards imposed by the workplace policies, their employees will soon learn that the policies aren't worth the paper (or web screen) they're written on. It's vital your clients routinely remind their employees of their obligations under workplace policies, and consistently enforce those policies. Fair and reasonable disciplinary action is by far the best way for your clients to ensure their policies are taken seriously.

4. Employee 'Buy-In'

Your clients will have a much easier time rolling-out and enforcing workplace policies if they achieve employee 'buy-in'. One of the easiest ways to achieve buy-in is by encouraging employees to assist in the development of new policies or the review of existing policies. Employees are far more likely to comply with a policy that they themselves helped to create!

Lastly, don't forget that good employment policies should restore the balance between your clients and their employees. So, make sure policies don't create any new legal obligations for your clients and be sure to keep the policies separate from your client's contracts of employment. This will make it easier to enforce their policies and update them from time-to-time.

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](#)

[Return to top](#)

MYOB MYOB Cloud Tips

MYOB top tips for cloud computing to empower SMEs

Key SME concerns include lack of cloud knowledge, safety and security of data

Cloud computing has become business-as-usual for many operators, while others are being left behind due to fear of the unknown and inexperience. So, **MYOB** is releasing its top tips for bringing the cloud into a business.

The technology company's national [study](#) of small and medium business managers found lack of knowledge was a key barrier to cloud usage for almost half of the 79% who said they don't use it. The same proportion applied to those concerned about the safety and security of data in the cloud.

MYOB CEO Tim Reed said the cloud has been changing business for the better for years, yet confusion about its definition and uncertainty about its benefits are still fairly widespread amongst SME business owners.

"Most business owners wear many hats. They are the expert of marketing, sales, responsible for client delivery and often for financial management and IT too," he said.

"Our research shows one in four SMEs feel they don't know enough about the issues surrounding cloud computing to make the right business decisions and one in six lack the confidence to explore it. Perhaps just as concerning is that one in five are interested but say there are other more important business priorities to take care of first".

"Cloud is the delivery of hardware and software, such as email, office applications, file storage and accounting, over the internet. There are many benefits and collectively they provide a strong opportunity to increase business productivity so you have more time and money to concentrate on growth building activities, and to be more competitive locally and globally. We found businesses utilising the cloud were 53% more likely to experience a revenue rise last financial year and 55% more likely to have more sales/work than usual in their three-month pipeline than those who weren't."

Mr Reed continues, "The concerns around security of business data in the cloud are understandable when they come from fear of the unknown. Research into the credibility of cloud providers is essential. There's plenty of helpful information, resources and support to help make more informed business decisions and this will only increase as these technologies becomes even more commonplace."

MYOB's top five cloud computing tips for SMEs:

1. Research trustworthy cloud service providers

Important criteria when researching providers include credibility, technology expertise and reputation. Look for information on the providers' websites and via independent sources such as technology blogs, industry publications and research reports. Consider seeking advice from IT consultants, financial advisors and other business owners. Ask for client references and about e-learning, 24/7 support and other services offered. Going with an established, profitable, trusted provider is always a good idea.

2. Review benefits and considerations of different cloud models

You'll discover cloud computing can take on many forms: some require you to learn new tools while others leverage your existing know-how. Some only work when you're connected to the internet, others also work in offline modes. Focus on the business benefits and then determine the technology required. For example, if you're interested in the ability to have online and offline access to your data anywhere, anytime, consider [cloud-enabled software solutions](#) that offer the best of both worlds: cloud, desktop, or both.

3. Prioritise security

The cloud involves accessing applications, information and data over the internet via a third-party provider. Therefore, the providers' security policies and procedures should be robust. This includes physical security of the server facility with 24 hour a day, 365 days a year video surveillance and strict personnel access control, firewalls, anti-virus protection, spam filters, disaster recovery and independent auditing and testing. For example, MYOB works closely with [Stratsec](#), one of Australia's strongest and most awarded information security teams to conduct regular independent audits and penetration tests on both the servers and application.

4. **Read the fine print**

Check: are there hidden costs, add-ons or other features that will take up extra time and money to get everything running? Or is it an all-in-one cloud solution? Also enquire about the providers' service level agreements (SLAs), especially in the event of an unexpected or planned outage for maintenance reasons. For example, if a half-day outage will be detrimental to your business, then discuss what measures are in place as well as any potential outcomes with the provider upfront.

5. **Evaluate your own IT processes and systems**

Each business is unique, with varying budgets and capacities. Evaluating your own IT processes and systems is essential before migrating to the cloud. For example, will you require cloud access for all staff and for multiple devices such as computers, tablets and smartphones? What areas of business operation will truly benefit from incorporating the cloud? A good provider will help you budget and plan for now and for the future. It also helps to map out a transition plan to help make the move to your chosen cloud solution as seamless as possible so there is little to no disruption to your business.

The MYOB Business Monitor special cloud research report is available at <http://myob.com.au/businessmonitor>. It contains information on SME usage of and sentiment about cloud computing from the MYOB 2012 Business Monitor, as well information on benefits, opportunities and tips to help SME operators embrace the cloud.

[Return to top](#)



Understanding the Cloud

What is the Cloud?

The cloud is where you put all your data, all your files and even your software so you can access it all from any computer or device, anywhere, anytime.

The cloud isn't all rainbows and sunshine, Xero are tackling the tough questions about cloud computing so you can be prepared before moving your business to the cloud.

- **Isn't cloud computing just the internet?**

You use the internet to connect your device to the cloud, but the internet is just the connection – the cloud is where your data lives.

- **Isn't it possible to lose your data in the cloud?**

Your data is actually much safer in the cloud than on your computer. Your computer can be stolen or corrupted quite easily, but cloud companies spend millions on systems and experts to protect your data.

- **Is 'the cloud' an Apple product?**

Apple has a product called iCloud which uses cloud technology, but many other companies provide products in the cloud such as Google, Dropbox and Xero.

- **Aren't you stuck if the internet goes down?**

These days the internet is like electricity, it's very rare for it to go down and when it does you just have to wait a short time for it to be available again. In the meantime, all your data is safe in the cloud.

- **Isn't cloud computing just a fad?**

The cloud has been around for years and it's only getting bigger. Internet banking started over 15 years ago.

Now the technology is so fast and cheap that it's being used for everything.

- **Don't I lose control of my data?**

You actually have much more control of your data, since you can access, share and work with your info, anywhere, anytime, on any device. You also control who has access – which you can revoke in an instant.

[To access this guide, go to Xero - Small Business Guides](#)

[Return to top](#)

From the ICB

This month... **FEBRUARY**

ICB Members Meeting Agenda

ICB's 2013 National Conference

Today's Bookkeeping Towards Tomorrow



Members Meeting - 2013

Conducted as part of the ICB Conference in 9 locations throughout March 2013.

Advice to all Affiliate, Associate, Member and Fellow members of ICB.

Commencing on 5th March, 2013 and held in 9 locations will be our annual meeting of members.

Following the ICB conference ([click here for details](#)) commencing at approximately 3pm until 4pm.

Agenda Includes (Note links to access various information in advance if you require)

Welcome

Presentation and receive reports on:

1. Operations and Management for acceptance and ratification.
2. [Membership Statistics](#)
3. 2012 Financials ([Balance Sheet](#) and [Profit and Loss](#))
4. [Network Meetings](#)
5. [Achievements 2012](#)
6. 2013 Objectives will be discussed
7. Recognition of 5 yr memberships
8. [Awarding of any Fellow Members](#)
9. Presentation of concepts in development for member reaction and input

The meeting will include receiving feedback in relation to:

- a. "Supervisory" programs
- b. [Skill Reviews](#)
- c. [Relaunch of the ICB Advisory Board](#). Attempted in earlier years but time to seek member comment on the relaunch, the makeup of an Advisory Board to assist management and direction of ICB.

As previously noted the meeting will include time for open forum responses to members requests or questions. In order for informed responses by the Directors and Management we seek prior notice where possible (Send an email to Simone@icb.org.au). Some topics or questions asked on the day may need to be accepted and responses provided following the conferences.

Notes from the meetings held in March 2012 can be found [here](#)

Members may book to attend the conference, approximately 740 members are currently booked for the entire day. Members who are unable to attend the day are welcome to attend the meeting from 3pm. We will look to conduct a webinar version of the members meeting following conclusion of the 9 face to face meetings.

815 people are currently registered to attend one of the 9 conferences.

One venue is 8 people from being sold out. [Please book now if you are planning to attend the whole day.](#)

Membership of ICB is granted in accordance with our corporation documents and membership guides, explanation is provided:

1. [In our Constitution](#)
2. [In our membership grade explanation](#)
3. In our [ICB code of conduct](#) for members
4. Additional information in page describing the Management and Operations of ICB, [including the advisory board](#).

[Click here for full details](#)

[Return to top](#)

Australian Ugg Boots - 10% Cashback

**Australian
UGG
Boots**

Believe it or not, winter **IS** coming and what better way to keep your feet toasty than a pair of original Australian Ugg Boots. Australian Ugg Boots sell original Ugg's, 100% Australian made and stock a large variety of Ugg styles, colours and sizes.

At Australian Ugg Boots Pty Ltd you will not only receive the best quality products, but highly competitive prices and excellent customer service.

[Click here for more details.](#)

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

[Return to top](#)

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

Bookkeeping eBRIEF is a business newsletter - Bookkeeping eBRIEF is provided by ICB for your business.

Keeping your business in front and 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 February newsletter for your business here:

- [February 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".

[Return to top](#)



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

- [ATO says portal is fixed](#)
- [Later start date for not-for-profit tax concession](#)
- [ATO - Issues with the Portal](#)
- [BAS Agents..... be warned](#)
- [Definition changes to "BAS Agent Services"](#)
- [Tax Agents affected by online fraud](#)

ICB Q and A Space News

During February we have been seeing a marked increase in queries regarding BAS Agent renewals, and not surprisingly either as February 28 looms.

We have also seen a lot of interest in [Documents used in bookkeeping](#), and a number of payroll queries including [Leave Loading](#), and [Terms of trade attached to emailed invoices](#) - 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](#)

[Return to top](#)

From the ATO

Credit cards used to match information

Credit and debit card data matching

How the ATO collect the data

The ATO obtain data from banks that identifies credit and debit card sales made by Australian businesses. This data is matched against taxpayer records to identify those people deliberately under-reporting or omitting income. The credit and debit card data-matching program identifies merchant transactions conducted in the 2011-2012 financial year.

The ATO have obtained data from the following banks:

- Commonwealth Bank of Australia
- St George Bank
- American Express Australia Limited
- Diners Club Australia
- Westpac Banking Corporation
- Australia and New Zealand Banking Group Limited
- National Australia Bank Limited
- Bendigo and Adelaide Bank Limited
- Bank of Queensland Limited
- BWA Merchant Services Pty Ltd

How the ATO use the data

By using bank data to promote a level playing field for businesses and improve overall compliance with tax obligations, the ATO can:

- check that businesses are declaring all of their income
- obtain intelligence to increase our understanding of the behaviours and compliance profile of businesses in receipt of credit and debit card income
- improve fraud detection models

Those identified as being at risk of potentially skimming some or all of their cash takings, running part of their business 'off-the-books', or in other ways not reporting all their income, should contact us to make a [voluntary disclosure](#) or self-amendment of any under-reported amounts.

In cases where businesses fail to comply with their obligations, even after being reminded of them, other compliance activities may be appropriate, including consideration for default assessments of a business's tax liabilities.

[Refer to the ATO website for further details](#)

[Return to top](#)

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](#)

[Return to top](#)

ICB Membership Statistics

3,505

2,153 Members maintain Fellow, Member, Associate, Affiliate and Educator membership, ICB also has 1,262 Student Members and 90 Subscriber Members.

During the last month we have admitted 57 new Members, upgraded 32 Students to Member status and admitted 99 new Students. We have also renewed 163 Members and 27 Students / Subscribers.

[Return to top](#)

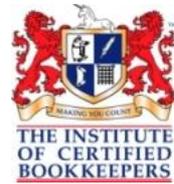
ICB Supporters and Sponsors

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.

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.



[Return to top](#)

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

[Return to top](#)

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.

The ICB withholds all rights of all content that is restricted to member access only and that information included in the member newsletter. Member only information is not to be reproduced without specific consent from ICB.

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