

Client eBrief



Institute of Certified Bookkeepers
Making you count



ATO Lodgement Dates

Department of Human Services (DHS)

From June 2013 the Department of Human Services (DHS) will implement its 'Move payment summaries online' strategy. All parts of government are moving to an electronic form of communication with us.

This covers people who receive Australia Government payments, pensions & allowances. DHS will notify affected people of the change & that electronic or paper payment summaries will still be available on request.

If you receive DHS payments and are required to lodge an income tax return – when you lodge electronically, the pre-filing service will automatically populate payment summary data. If you would like to receive a paper copy of their payment summary, you can request this through a range of self-service channels

ATO – PAYG Payment Summaries – Employment Termination Payments & Codes

The ATO made changes to employment termination payments (ETP) on 1 July 2012 and have therefore updated the *PAYG payment summary – employment termination payment* to include new ETP codes. The codes describe the type of payment and will ensure the correct rate of tax is applied.

If you are paying ETPs in this income year, they will need to be the new PAYG payment summary – employment termination payment & codes.

If you are receiving an ETP in this income year, you must show the ETP code in your 2013 tax return so the ATO systems know what type of payment it is. If you do not receive the new payment summary with the ETP code, you will need to contact the payer.

ATO – Superannuation Changes from 1 July 2013

Changes effecting employers from 1 July 2013:

Increase in the minimum rate for super guarantee payments on behalf of employees from 9% to 9.25%

Start making super guarantee payments for employees aged 70 years or older, as the existing upper age limit will be removed.

Find out more, refer to the ATO website

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

BAS/IAS Monthly lodgement –
March Activity Statement: 21st
April 13 final date for lodgement &
payment

BAS/IAS Monthly lodgement –April
Activity Statement: 21st May 13 final
date for lodgement & payment

3rd Quarter of FY2013: BAS
lodgement – March Quarter
(including PAYGI) 28th April 13 final
date for lodgement & payment.

Superannuation – 3rd Quarter of
FY2013: SGC March Quarter 28th
April 2013 final date for lodgement &
payment.

Refer to the ATO for details regarding the Superannuation guarantee Charge applicable. If you do not pay the SGC by this date the SGC is not tax deductible.

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



Bank Feeds Explanation

“Bank Feeds” is a term being used to describe the automatic transmission of bank transactions into Accounting Software. The Accounting Software uses third party applications such as Yodlee or BankLink or direct file transfer to download the transactions from the Banks. An authorisation must be provided to the Bank to link the bank & accounting software. This process can vary depending on the bank and the software.

Setup

✓ Initial setup requires authorisation to link the Accounting Software with the Bank used by the client. There are 2 methods used to provide authorisation:-

1. Authority form signed by the client and sent to the Accounting Software company. This form is typically produced through the software and a different authority form is required for each bank or credit card to establish the bank feed.

2. Provide your Online Banking Client ID# & password which is used by some accounting software to access & download the bank transactions from the banks online services. (Check your terms & conditions with the bank & review security)

✓ After authorisation, you are required to create a link in the software between the respective bank and/or credit accounts set up for bank feeds and the appropriate account in the accounting software.

✓ All Software allows changes to the bank feed setup including passwords. ☺ **You are now ready to receive Bank Feeds !!!**

Retrieving Bank Feeds

Transactions will either be automatically downloaded when you login or you are required to select the Bank or Credit Card you wish to retrieve & click on the update/retrieve button. You may be asked to key in clients login and password

Processing Transactions received All software will download the bank feed transactions in to a bank feed transaction screen for the operator to either match, create or transfer transactions within the accounting file.

Each **Bank Feed Processing Screen** will commonly show the bank feed transactions on the LEFT & the transaction that has been found or created in the software on the RIGHT.

Upon download, all software will **intuitively** try & match bank feed transactions to existing transactions within the accounting file.

The software uses the bank feed transaction field's **description, date or amount** to provide a possible suggestion for matching.

With the remaining unallocated transactions either:- **MATCH** - Find an existing transaction within the accounting file. OR

CREATE - Create transactions with the accounting software, allocate an account, add a contact if required & define the tax code. This may include making a customer or supplier payment to clear invoices.

✓ Create Rules

Most accounting software has the feature of creating rules which will enhance the automatic matching. A rule is a 'criteria' set that can automatically find a transaction, apply it to the account & add a description in the memo field. Some software will allow multiple conditions which helps to marry the bank feed transaction to the rule.

All rules require the following:-

1. **Rule Name** – A name that resembles the transaction ie Merchant Fees

2. Stipulate which Bank account the rule relates to

3. Description: This description must match 'some part' of the bank's description' for the software to find the transaction & automatically match it to the rule See below 'merchant fees example' you would use MERCH FEE as the description in the rule

Bank Statement Description:

AUTOMATIC DRAWINGS

MERCH.FEE000044455566 ABC ARCHITECTS 00233

Allocate an expense or income Account for the transaction

The rules within all accounting software will apply the rules on download of the bank feed transaction & either approve automatically or ask the operator to approve.

Bank Reconciliation The Bank Reconciliation process differs once Bank Feeds are operational. All transactions downloaded will typically be flagged as ready for reconciliation within the Bank Reconciliation screen. Therefore, a bank balance at a point in time is all that is required to reconcile the bank.

Daily Bank Balance is either shown on the Dashboard of the accounting software or you are required to obtain the balance via online banking or statement.

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

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