

Client eBrief



Institute of Certified Bookkeepers
Making you count



Do you have cashflow to maximize your deductions?

To gain the maximum tax deduction for your Employees Superannuation – try to pay your SGC prior to 30th June 2012.

If you have reasonable cashflow at this time – you may be able to maximize some deductions by;

- Getting your car serviced
- Replacing tyres if needed
- paying membership fees
- paying subscriptions fees upfront
- paying insurance upfront, rather than monthly
- get a discount on rent for prepaying

But only if cash-flow exists & only if it makes sense. no need to spend \$1 now to save 30c or less that isn't paid for months.

Also, remember that new Depreciation of Assets comes into effect from 1 July 2012, if your turnover is under \$2million:

No more 'long life' pool for small business

Write off assets immediately if they cost less than \$6500 excl GST

Motor Vehicles have a \$5000 write off in the year acquired plus 15% depreciation in the first year

2nd year onwards, Motor Vehicles then have 30% depreciation

Mixing Personal and Business funds

We have all done this - it's our business so it's our money. However from a Bookkeeping point of view this can be confusing & ultimately cost you data entry fees, plus eligible tax deductions could be forgotten. Try not to pay personal expenses from any business account & try not to pay business expenses from any personal account. Designate at least one Business & one Personal account & have one credit card for business expenses only. This will help to keep your records straight and save you on those data entry fees. It is a good idea to transfer a larger sum to yourself than to keep paying small personal bills from the business.

We can check with your accountant how best to take the funds (salary or dividend)

We can help; Talk to us today

ATO Lodgement Dates

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.

If you use your bookkeepers - BAS Agents Portal to lodge your Activity Statements then you can be eligible for an extension.

BAS lodgement-JUNE Quarter (including PAYG I)
28th JULY by form

BAS lodgement-JUNE Quarter For Monthly Lodgers
21st JULY, 2012

Payment Summaries to employees
14 July 2012

Superannuation Guarantee Contribution PAYMENTS :
28th JULY, 2012
(If required contributions are not made by the due date for quarter 3 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, a Sunday or a public holiday), lodgment or payment may be made on the first business day after the due date without incurring a penalty or general interest charge (GIC). A business day means a day other than a Saturday or a Sunday, or a day which is a public holiday.



End of Year Procedures

The 30th June and End of the Financial year is very close. It's a great time for a Bookkeeping Review & creating a plan for FY2013. Talk to us about your goals for the coming year & how we can work with you to help you achieve them.

Begin by looking at what you owe & what customers owe you

Now's a good time to have a look at the customer invoices outstanding and the bills you owe your suppliers. If there are any bad debts, ensure they're written off by 30 June. Are there any bills on your Payables report that you don't actually owe? If so, reverse them at 30 June. Also, check your Balance Sheet Accounts –Trade Creditors (what you owe) and Trade Debtors (what is owed to you) & make sure they match your reports. If you do have any issues, procedures need to be created to minimize them.

Stocktake

Conduct a physical stock-take as close as possible to 30 June. Stock adjustments will then be added. It is a good time to review your inventory systems and adjustments made, if necessary.

Reconcile your bank accounts

Always reconcile all of your bank accounts/credit card accounts as at the 30 June. If your statement's closing date is after 30 June, simply rule a line after the last June transaction, calculate the closing balance on the statement, & reconcile to that point. This also checks the matching Balance Sheet-Bank accounts/Credit Card Accounts

Backup your file

Once all the transactions for the financial year are entered we will be making a backup & sending it to your accountant. However, having extra backups never hurt so, after you have completed your data entry, make sure you do two backups of your file. Store one at your place of business & the other in a separate, secure location.

The following areas we review/reconcile as part of our End of Financial Year procedures. We review these areas, so we can highlight any relevant issues or concerns to your accountant:

Debtors/Creditors, Stocktake, Bank Accounts Reconciliation, Payroll – Payment Summaries – Superannuation (SGC & Salary Sacrifice), New Plant & Equipment purchased - Any sell-off of Assets
GST reconciliation & BAS' completed

The types of information we supply the accountant, when we give them the end of year data file

1. Letter of explanation, notes and queries
2. Backup of the datafile after bookkeepers review or detail how they can gain access to the file
3. Copy of the years Business Activity Statements Q1, Q2, Q3, Q4
4. Documentation of New Assets bought, sold and/or financed
5. Outline of all Insurance policy's paid through the entity and their purpose
6. Bank Reconciliation reports @ 30th June for all banks, loans, credit cards
7. Documentation of Shares bought and sold if any

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

The Institute of Certified Bookkeepers

Tel: 1300 85 61 81

Email: admin@icb.org.au

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