



# THE INSTITUTE OF CERTIFIED BOOKKEEPERS

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**Bookkeepers helping Bookkeepers help Business**

**THE INSTITUTE  
OF CERTIFIED  
BOOKKEEPERS**

February 2014

[Click here for the  
online version](#)

News, views and things you need to know

Welcome to the ICB's February 2014 Newsletter. You can read the newsletter online by [clicking here](#).

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

### Important News for You:

- [Software Feature Comparison - Purchases](#)

### Best Practice Bookkeeping:

- [Prepayment Rules](#)
- [About Australian Consumer Law](#)

### Continued Professional Education:

- [June 2014 Workshop](#)

### Other Things Happening in the World

- [Answering HR Questions, Not For The Faint Hearted!!](#)
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ICB Annual Bookkeepers Survey



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 years but we are also seeing a decline in the 30 – 40 with an increase in the 60 and over. 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 conferences (60+%), newsletters (80+%) and webinars receiving 80% support rate continue to be the preferred methods of education.

Charge rates average has moved up with a shift from 33% below \$50 to now only 17% but the level of satisfaction on the financial return has dropped.

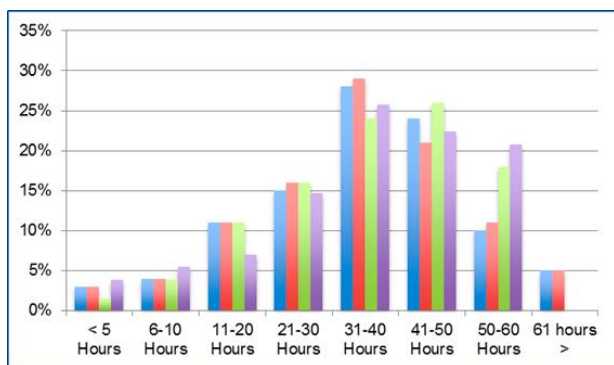
MYOB remains the significantly dominant (65% down from 72%) software being used by the respondents with 21% responses from Xero users, up from 11%. The satisfaction rate overall continues to be significant at 89% and steady with 90% in 2012. Over 30% of Bookkeepers are not a member of any software partner program which has been steady of the past 3 years.

Bookkeepers are embracing the technology developments and changing their work practices to undertake more work remotely.

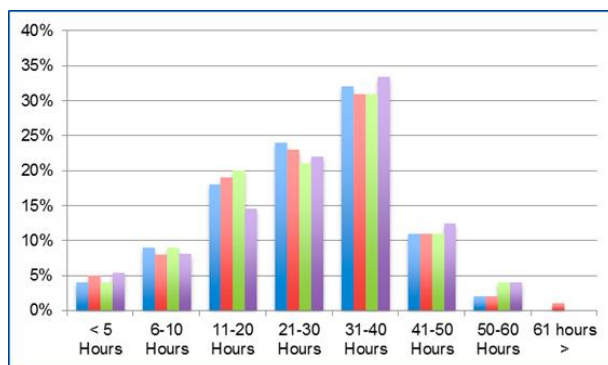
The past 5 years we have seen an 18% drop in the use of ECI (44% - 28%) and Bookkeepers using their client’s portal (32% - 15%).

70% use the BAS Agent portal to obtain the integrated client account – a great productivity improvement achieved over the past 2 years. EMDUPE files lodged via mail dropped from 44% to 31% with lodgement via SBR software increasing (GovReports 30%).

Satisfaction of the BAS Agent regime continues to improve along with that of the Tax Practitioners Board but only 50% are saying that being a BAS Agent has improved their business.



During BAS periods, how many hours per week do you work?



During a non-BAS period, how many hours per week do you work?

A full copy of the 2013 Bookkeeper Survey, including all the graphs, [is available to download here](#)

## Asset Expense Update

The proposed law to reduce the asset instant write off threshold from \$6,500 back to \$1,000 is still before parliament.

Based on government website information it is proposed that the law will be passed prior to 30 June 2014 and all assets acquired after 1 January 2014 will be subject to the \$1000 threshold.

### What does this mean for Bookkeepers?

The law has not been finalised therefore:

If you purchase assets below \$1000 there is no problem, you can claim them as an expense. For asset expenses between \$1000 and \$6,500, you would be better not to claim these amounts as expenses, but code to assets and let the accountant deal with it at end of year.

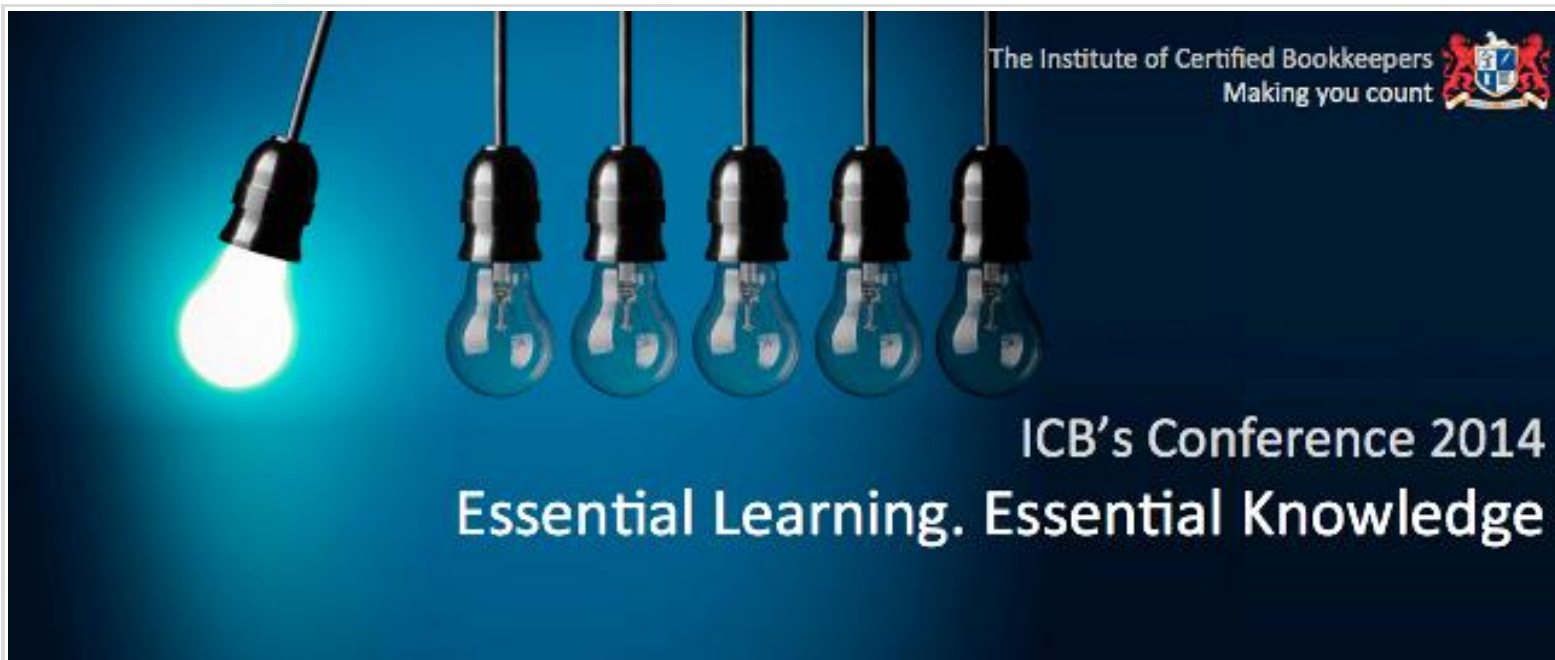
[This link notifies the ATO intentions as at mid December.](#)

**Note as of today:** The ATO website states the current law — they still quote \$6,500 as being the instant asset write-off and depreciation threshold. This will not be updated until the proposed law has been enacted.

[Click here for more details from the ATO.](#)

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## ICB's 2014 National Conference - Do Not Forget to Book!!



**With only days left before ICB head on the road, don't forget to secure your place at ICB's Annual Conference!**

### Agenda:

**Presented by the ICB team.**

9.00am Registration for a 9.30am.

## ICB Members meeting from 3pm until 4pm.

- **Superannuation Guarantee**....now it's a BAS Service - what is SGC, what is the Charge? How do I calculate it, lodge it? What do I do about that client who pays Super late or never? What can a bookkeeper do? What can a BAS Agent do? (A technical knowledge session for Bookkeepers)
- **Taking Reasonable Care**....to comply with the TASA 2009 code of conduct! What is reasonable care? What is required? How do I do it? Whether you are a BAS Agent or not, you must take at least reasonable care.
- **API**....Software companies use it, what is it, how does it work and what do you need to know about it?
- **Bookkeeping in 2014**....is the same but it is different? Software is changing, Compliance is changing. What is a bookkeeper in 2014 and what do we need to do differently?

MYOB, Reckon, Intuit, Xero in attendance at all venues, providing you information and support during the breaks.

Please note: 5.5 hours of CPE for ICB and 4.5 for TPB purposes.

[Click here for more information](#)

**Tax Practitioners Board will be speaking in Melbourne, Sydney, Brisbane, Adelaide and Perth to present their view on taking reasonable care.**

Member	\$264.00
Student and Educator	\$275.00
Non Member	\$330.00

**To book and see specific location details**, click on the location name below.

### Launceston

4th March, 2014

### Melbourne

5th March, 2014

### Adelaide

6th March, 2014

### Sydney

7th March, 2014

### Brisbane

10th March, 2014

### Cairns

11th March, 2014

### Darwin

12th March, 2014

### Canberra

17th March, 2014

### Perth

19th March, 2014

For multiple bookings, please complete the [multiple booking form](#) and return to us by [email](#).

## Members Meeting

Documents that will be presented during the Members Meeting are available for your review here.

The ICB Members meeting will be held in each of the 9 locations. It will be commencing at approximately 3pm and will be a presentation on:

- Finances
- Operations Report
- Accomplishments
- The Future of ICB

And any other items that may arise from now to then followed by your acceptance and endorsement. Members are invited to submit any items for discussion at the meeting via email to [simone@icb.org.au](mailto:simone@icb.org.au).

Tea and coffee on arrival, morning tea, lunch and afternoon tea provided.

## Dietary Requirements:

At the time of booking your place for the conference, we ask that you also note any special dietary requirements you might have. Prior to the actual conference, we do need to provide the venue with any special requirements so they can be catered for. We cannot guarantee your special requirements will be fulfilled if you book within 14 days of the event date.

## Conference sponsors:



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## Best Practice Bookkeeping

### Proposed New Paid Parental Scheme

#### Proposed new Paid Parental Scheme by Government

ICB were involved in a recent meeting with Treasury and the Department of Human Services to discuss the newly proposed Paid Parental Leave Scheme by Liberal Government to be implemented 1st July 2015. The purpose of the meeting was for ICB to review how the proposed new scheme will "interact with existing processes and structures for employers and employees".



#### The proposed changes to the Paid Parental Scheme (PPL) include:-

- 26 weeks instead of 18 weeks
- Payment of actual wage of person rather than the national minimum wage (whichever is greater)
- Payment of SGC superannuation rather than no superannuation paid
- PPL to be paid and administered through Family Assist Office not via the employer
- PPL will be funded by a levy on companies earning taxable income in excess of \$5m
- PPL will allow 2 out of the 26 weeks to be dedicated to paternity leave (meaning fathers will be eligible for 2 out of the 26 weeks to dedicate to their family at their actual wage)

#### Areas not changed in the proposed PPL Scheme include:-

- Same work test of:
  - Worked at least 10 of the 13 months prior to the birth or adoption of the child
  - Worked for at least 330 hours in that 10 month period
- Same notification period to Family Assist before birth of the child

#### ICB raised the following questions:

1. Will Family Assist now pay directly to the employee and tax accordingly? And at what rate?
2. How will Family Assist deal with Salary Sacrifice packages?
3. Will Family Assist pay superannuation directly to the superfund? If so, does the employee provide superfund details?
4. What happens to those on the current PPL scheme at 1st July, 2015, are they paid out to 18 weeks on the current scheme or does the new scheme kick in and the employee paid at their current wage and receive 26 weeks less weeks already used under the old scheme?
5. How to determine 'self-employed' wage if the minimum wage is not being used under the scheme or for self-employed use the minimum wage?
6. If Family Assist takes over administering PPL, what involvement does the Employer have?
7. Is Family Assist still notified 3 months before birth of baby, as under the old scheme?
8. What happens to the 'keep in touch' arrangements under the old scheme, are employees/employers still encouraged to keep the employee in the loop of the business?

These questions became a good basis for discussion in the meeting, some were answered but most were flagged for further thought with the PPL team to discuss.

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## Apprentice Wages Update

### Changes to Apprentice Wages

From the 1st January 2014, there have been some changes to apprentice pay. These changes will only affect apprentices taken on from 1st January:

- Some awards did not have adult apprentice pay rates, this is now included in all awards
- Competency-based wage increases to some awards
- School-based apprentice provisions have been added to some awards
- Wage protections for adult apprentices who worked for their employer before starting an apprenticeship.

Note that adjustments to award conditions for travel costs, training time, training fees and training attendance will affect all apprentices regardless of when they started.

For more information on hiring apprentices and trainees, [click here](#).

For information from Fairwork regarding apprentices and trainees, [click here](#).

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### Things to be Aware of About Personal/Carer's Leave

Some years ago, "sick" leave and "carer's" leave were separate entitlements. A few years ago they were amalgamated and now the entitlement is 10 days per year. An employee can use their accrued paid personal/carers leave for any amount of personal leave or carer's leave per year.



There is no cap on the amount that can be used for either purpose each year.

If an employee has taken all of their accrued paid personal/carers leave entitlements in a year, and a member of the employee's immediate family or household requires care or support because of a personal illness, injury or unexpected emergency, that employee is entitled to take 2 days' unpaid carer's leave for each permissible occasion.

You can ask an employee to provide you with reasonable evidence of their reason for taking personal/carers leave, e.g. medical certificate or statutory declaration. It may not be reasonable for you to ask an employee to provide you with a medical certificate every time they are absent due to personal illness. However, when an absence extends beyond a short period or an employee is repeatedly absent on particular days (i.e. before or after a weekend or public holiday), it may be reasonable for you to request a medical certificate.

We are used to the idea of employees cashing out annual leave on occasion—but did you know that an employee can also cash out personal/carers leave in some circumstances as well?

Under the NES, paid personal/carers leave can be cashed out if ALL of the following conditions are met:

- A term in the relevant modern award or enterprise agreement specifically allows it.
- The employee is left with at least 15 days of personal/carers leave entitlement.
- There is a written agreement for each occasion that leave is cashed out.
- The employee must be paid at least the full amount they would have been paid if they had taken the leave. This is based on ordinary base rate of pay and does not include incentives, bonuses, penalty rates or overtime.
- Both employer and employee voluntarily agree to the cashing out arrangement.

In some situations other leave may be converted to personal/carer's leave. Appropriate notice and/or evidence would be required but if for example, an employee is on annual leave and has an accident, with the relevant proof and notice, the leave may be converted from annual to personal leave from the date of the accident.

## Related ICB information

If you have desktop software that may not have been updated from 8 days of personal/carer's leave entitlement to 10 days in 2010, [see this link](#).

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## BAS Agent Information

### Clarifications on the New MySuper System

On the ATO website there is some confusing language regarding the MySuper system. We received some clarification from the ATO Superannuation section.

The website states that the employer must choose a default fund that "offers MySuper products". What this really means is that the default fund or product **must be a MySuper product**. It is not enough to choose a fund that offers MySuper products—the employer must nominate an approved product.

If an employer is swapping their default fund from a 'non-compliant' product to a MySuper product, a super choice form must be provided to all employees affected by this change. If the employee does not make a choice at that point, then the employer will pay to the new default product. The employee can of course choose to stay with the previous default product, but would have to complete the super choice form to indicate this.

If the employee ends up with two super funds because of the employer having to swap over to a new default product, it remains the worker's responsibility to initiate the rollover of multiple super funds into one of their choice.

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### Registered BAS Agent Symbol From the TPB

#### Registered Agent Symbol

Progress continues to be made in relation to a registered agent symbol, which will provide an opportunity for registered agents to promote their status. The TPB is currently awaiting final approvals from the Australian Competition and Consumer Commission (ACCC) and if no objections are raised, the TPB is hopeful of releasing the symbol as soon as late March. When the symbol is ready for (electronic) release, accompanying guidelines will also be published to the TPB website.

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## Self-Managed Super Funds Changes Coming Up

We know that more bookkeepers are being engaged by Self-Managed Super funds in recent times. There are now nearly 1 million Australians paying into SMSFs.



From the 1st July 2014, changes to SMSF administration will be brought in. We will update you again at that time; however, you may have clients that need to be made aware of the impending changes before the implementation date.

The biggest change is that from 1st July, SMSFs must be able to receive contributions electronically from employers. This means that SMSF trustees will need to obtain an electronic service address for the delivery of contribution messages. SMSFs will need to provide their ABN, bank account details, and electronic service address to all employers paying into the fund, by 31st May 2014. This is to comply with the new SuperStream data standards coming into force from 1st July 2014.

Note that for SMSFs not receiving contributions from employers, this does not apply-- they do not need to register for electronic payments.

Other changes address the powers that the ATO has to investigate non-compliance by the SMSFs with their obligations. The most common areas of non-compliance are to do with loans, borrowings, sole purpose breaches, in-house assets, arms-length and related party investments. The ATO has said that it will review every Auditor Contravention Report submitted. SMSFs are regulated directly by the ATO. SMSF trustees can face personal liability for penalties of up to \$10,200 if found to be in breach of compliance regulations.

**For bookkeepers and BAS agents looking after SMSFs**, see this page for relevant information on record keeping and administration - [www.ato.gov.au/Super/Self-managed-super-funds/Reporting,-record-keeping-and-administration/](http://www.ato.gov.au/Super/Self-managed-super-funds/Reporting,-record-keeping-and-administration/)

Did you know that Australia Post offers a SMSF Gateway Service? It is low cost and user-friendly to allow trustees or administrators of SMSFs to comply with the new data standards, [more details available here](#).

There is a dedicated email address to send SMSF queries to, [SuperP2PEnquiries@ato.gov.au](mailto:SuperP2PEnquiries@ato.gov.au)

For more detail on SMSFs from the ATO, [click here](#)

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## Notes From TPB Advisory Forum Held 11th February, 2014

### Registration Summary

In December 2013 there were 277 new applications received (86 BAS and 191 Tax) and 523 renewals (111 BAS and 412 Tax). Together with the 790 new applications that were on hand at the end of November the TPB were able to finalise 351 (of which 100 were BAS Agents). Total applications on hand (new and renewals) at the end of December 2013 were 1445 which is as low as it has been for some time.

The number of renewals is less than what had been predicted and this has been put down to those who were in a transitional phase who have not been able to meet registration requirements.

### Regulatory Assurance (Complaints and Compliance)

There were 570 complaints to the TPB from the Public (1 January 2013 – 31 December 2013) which were largely to do with the competence of the agent or the fact that client monies had not be returned.

The additional 504 internal projects conducted by the TPB were largely to do with PII which needs to be notified to the TPB on an annual basis.

Total sanctions for the year to date were 171, which resulted in the suspension of 45 Agents. Most appeals to the Administrative Appeals Tribunal are because of issues with the agent's Professional Indemnity Insurance not meeting the requirements of the TPB.

The TPB also has a positive compliance program to ensure Agents are meeting their own person tax obligations

The next TPB outreach field visit will be to Canberra on the 4th March where there will be 5 sessions run. So far there have been 250 responses to attend Canberra. There was a great response to the TPB outreach visit in South Australia with over 800 agents attending three locations.

For the rest of 2014 the TPB outreach program will be visiting Brisbane in June and Hobart in November. It is planned to do regional areas of Victoria and NSW in 2015.

In other business, ICB raised the suggestion that the TPB create an information sheet to clarify the area of satisfactory supervision of people working with Agents who are not themselves registered.

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## Continued Professional Education

### This Month From the ICB Continued Professional Education Webpage

#### ICB 2014 National Conference

<a href="#"><u>Launceston</u></a> 4th March, 2014	<a href="#"><u>Melbourne</u></a> 5th March, 2014	<a href="#"><u>Adelaide</u></a> 6th March, 2014
<a href="#"><u>Sydney</u></a> 7th March, 2014	<a href="#"><u>Brisbane</u></a> 10th March, 2014	<a href="#"><u>Cairns</u></a> 11th March, 2014
<a href="#"><u>Darwin</u></a> 12th March, 2014	<a href="#"><u>Canberra</u></a> 17th March, 2014	<a href="#"><u>Perth</u></a> 19th March, 2014

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## **Upcoming events**

### ICB National Conference

Nationally  
4th March, 2014 - 19th March, 2014

### ICB Network Meetings

Nationally, Monthly

### Foundations of Payroll

#### **Brisbane**

3rd - 5th March, 2014

#### **Melbourne**

12th - 14th March, 2014  
2nd - 4th April, 2014

#### **Darwin**

24th - 26th March, 2014

#### **Sydney**

26th - 28th March, 2014  
14th - 16th April, 2014

#### **Adelaide**

7th - 9th April, 2014

### Terminations

#### **Brisbane**

6th March, 2014

#### **Melbourne**

24th March, 2014  
29th April, 2014

#### **Sydney**

31st March, 2014  
30th April, 2014

#### **Adelaide**

10th April, 2014

### Learn Xero in a Day

Phillip, ACT  
4th March, 2014

### Microsoft Excel Intro

Perth  
4th March, 2014 and 25th March, 2014

### MYOB Payroll

Northbridge, WA  
5th March, 2014

### Salary Packaging

Perth (DVD & Online Learning also available)  
12th March, 2014

### QuickBooks Online Training

#### Webinar

13th March, 2014

Melbourne, VIC

14th March, 2014

31st March, 2014

1st April, 2014

Sydney, NSW

20th March, 2014

3rd April, 2014

4th April, 2014

### Terminations

Perth (DVD & Online Learning also available)  
14th March, 2014

### GST & BAS

Perth (DVD & Online Learning also available)  
14th March, 2014

### Xero Intermediate - Balancing and BAS

Perth  
18th March, 2014

### Introduction to Xero

Perth  
20th March, 2014

### Excel Intro

Perth (DVD & Online Learning also available)  
25th March, 2014

### Start your own Bookkeeping Business

Mt Gravatt, QLD  
25th March, 2014

### Managing Payroll using Xero

Phillip, ACT  
25th March, 2014

### Xero Accounting and Payroll

Perth, WA  
27th March, 2014

### Excel for Bookkeepers

Hornsby, NSW  
3rd April, 2014

### Carry out Business Instalment Tasks

Perth  
10th March, 2014

### Xero Payroll - Set up and Processes

Perth  
12th March, 2014

### Payroll Administration

Perth (DVD & Online Learning also available)  
11th March, 2014

### MYOB Setting Up

Mt Waverley, VIC  
29th April, 2014

### ICB's June End of Year Workshop

Nationally  
31st May, 2014 - 22nd June, 2014

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## ICB Network Meetings



### Question For You to Discuss This Month??

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

You have a client who pays a travel allowance to employees who are required to work in regional areas for several days at a time, but regularly throughout the year. Although the employees have all expenses paid for, the employer also chooses to give them an extra allowance per day of travel as a "sweetener". You are not sure how to treat this allowance. On querying it with the accountant, she advised you to classify it as 'Living Away From Home Allowance' and that this would be subject to FBT.

Is this correct?

What should you do if you disagree?

Let us know your thoughts and solutions by posting comments on the Q & A Space.



[Let us know your queries you would like addressed here](#)

#### **Last month we asked you:**

You take on a new client who is reporting BAS quarterly and reporting on the CASH system. Fairly quickly you discover that the company's turnover for the last few years has been over \$13 million and growing. You query this with the client and they claim they can't afford to swap over to accrual. You query this with the accountant and he says "It's fine as it is".

How should you approach the situation with the client and would you be in breach of any laws or code of conduct if you take no action but continue to process, sign and lodge the BAS on the cash basis?  
How should you handle this situation?

#### **ICB's Response:**

We recommend that you inform the client in writing of the ATO reporting requirements and inform the client why you believe they should be on the accrual system. Advise the client that when swapping from cash to accrual systems the ATO will be considerate of the increased obligations and would certainly offer a payment plan. (If appropriate you could also advise the client of the benefits of accrual accounting such as understanding their true financial position, and understanding their cashflow better).

Try to get in writing from the accountant confirmation that it is okay to leave them on cash system....(good luck)...and why. You can enter transactions, reconcile, report, check, etc., without any problem. You should prepare the BAS based on BOTH systems, and report BOTH to the client. You have fulfilled your obligations by reporting the accrual system which you believe applies, and the cash system which the client believes applies. Set up the client with a business portal and they can lodge the BAS directly. Or you could try to get the accountant to lodge via his portal... But you should not sign or lodge the BAS through your own portal.

If you took no action and lodged the BAS for this client, you could be considered to be in breach of tax laws and the TPB code of conduct by knowingly allowing the client to avoid tax obligations. We wonder how the accountant can justify that "it's fine". We also wonder what this accountant would do if the business approaches the \$20 million turnover when a monthly BAS is required?

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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 webinar on the 2nd week of each month.

Webinars		
Online 11th April, 2014 - 12pm (AEST)	Online 14th April, 2014 - 5pm (AEST)	
Queensland		
Gold Coast (am and pm sessions) 8th April, 2014	Brisbane North 18th March, 2014	Brisbane South 18th March, 2014
South Sunshine Coast 13th March, 2014	North Sunshine Coast 14th March, 2014	Logan 19th March, 2014
Moreton Bay 17th March, 2014	Bundaberg 18th March, 2014	Hervey Bay 7th April, 2014
Cairns 21st March, 2014	Toowoomba 14th March, 2014	Townsville 14th March, 2014
New South Wales		
Sydney - Balmain 17th March, 2014	Sydney - Moorebank 12th March, 2014	Sydney - Randwick 12th March, 2014
Sydney - Brookvale 7th April, 2014	Sydney - Hornsby 13th March, 2014	Sydney - Newport 14th April, 2014
Sydney - Sutherland 16th April, 2014	Bathurst 20th May, 2014	Ballina 11th April, 2014
Bellingen 14th April, 2014	Blue Mountains 10th March, 2014	Central Coast TBA
Newcastle 14th April, 2014	Port Macquarie 18th March, 2014	Shoalhaven 14th April, 2014

Dubbo 27th March, 2014	Orange 20th March, 2014	
<b>ACT</b>		
Canberra - Phillip 11th March, 2014		
<b>Victoria</b>		
Burwood 2nd April, 2014	Mordialloc 8th April, 2014	Docklands 11th April, 2014
Frankston 20th March, 2014	Narre Warren 12th March, 2014	Lilydale TBA
Macedon Ranges 15th April, 2014	Geelong 25th March, 2014	Point Cook TBA
Cobram TBA	Horsham TBA	Sale 13th March, 2014
Yarra Valley 14th March, 2014	Bulleen 8th April, 2014	
<b>Western Australia</b>		
Balcatta 11th March, 2014	Bunbury 17th April, 2014	Melville 12th March, 2014
Joondalup 17th March, 2014	Midland 12th March, 2014	Cockburn Central 17th March, 2014
<b>South Australia</b>		
South Adelaide 13th March, 2014	Henley Beach 21st March, 2014	Para Hills 19th March, 2014
Unley TBA	Mt Barker 8th April, 2014	
<b>Tasmania</b>		<b>Northern Territory</b>
Hobart 14th March, 2014	Launceston TBA	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](mailto:rick@icb.org.au)



ICB Network Meetings are proudly supported by MYOB

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### The February 2014 Xero Roadshow

Once again Xero visited Melbourne for their first roadshow to present to a full house of bookkeepers and Accountants. Over 700 registered for the event which was in 3 sessions with some attending all and others selecting the areas they were interested in and 5300 across the country.

The first session started over with a reassurance from Xero regarding the security of their programme and the numerous servers in place to guarantee a cloud backup should an incident render one service out. It then went into quite a lengthy discussion on the "Cloud" what it is and what effect it has had on businesses Australia and worldwide.

Xero report Australia as being #2 when it comes to using the cloud with 80% of us using it in some form with spending on IT for cloud use rising by 300%, usage of the smartphone is 72% and penetration of tablets is expected to be at 80% by 2018.

Xero have advised that they are only using Yodlee where they are unable to build a relationship with the banks and now have several banks providing direct feeds to Xero.

BAS lodgement is very simply and easy to use.

A survey carried out by Altus Q has shown that use of the cloud has resulted in the following:

- Increase in available time
- Increase in usage of fixed fees
- Decrease in overdue debtors days
- Increase in debtor billing

BUT surprisingly a decrease in Net Profit!!!

Thoughts being this could be due to businesses not getting the fixed fee rate or the stage a business is in in regards to its growth eg: Start-up, growth or Advance Growth. Survey results and more information will be released on this in the future.

The second session of the day was more geared towards accountants, demonstrating the many aspects of the Practice Studio which takes them onto a totally cloud platform for their business. The Practice Studio uses Workflow Max with tax to implement the WIP solutions. Very practical an effective system for managing clients and online lodgement of BAS and Tax returns. This could be utilised by bookkeepers I believe and has a great Client Management system built in.

Videos were shown showing the use of iPhone/android for mobile utilisation out in the field. Excellent option for people on the go and working from an "outside" office such as tradesmen etc.

The third session covered what is new in Xero bookkeeping.

- "Files" has now been added to purchase orders and is now in all areas except for payroll.
- Online Superannuation automatic payment. This makes it a very fast and efficient exercise when paying super.
- Able to see access roles from your my Xero and now have the ability to remove yourself from an organisation. Previously you had to rely on the organisation (Client) to do this for you. This doesn't however delete their subscription.
- New Header for the client file so that it is easier to see
- Interactive organisation name, so you are now able to open another file up from the one currently open.
- "Files" are out of the settings area and easier to access.

The fourth session covered BAS completing and lodgement, but unfortunately we were unable to attend this session so we cannot comment what was presented. This was advertised as a “tax” session and we thought it was geared towards tax agents...turns out it was actually appropriate for bookkeepers and BAS agents who process BAS in Xero. During the sessions we attended, there was no time allocated for questions from the attendees.

## **What to expect in February and March**

### **February**

- Can set the standard user up now so they don't have access to reports.
- Updating Setting and Profile – has been split into three easily accessible areas profile/account/logout. The profile area allows much more to be entered and can be found using search engines such as Google. Can be customised as to what you make public and the results can result in a very professional profile on you and your business.
- You will have a History and Activity info – good to use when you want to know when someone has done a conversion.

### **March**

Hoping to bring out a new report regime in the Aging Payables and Receivables which allows you to customise the reports in both what is shown and how it is shown, allowing you to move column order and remove columns you don't want reporting.

Other items may still be added as they continue to work to introduce and improve areas. Some of the areas currently being worked on are:

- Converting from another software company within the software by pressing a button which will then send the data file to a conversion partner, being updated on the status as it is being converted and then contacted when it has been finalised and is ready to go.
- Filing of Payment summaries with ATO through Xero
- Fixed Assets – improvements to the details screen and ultimately giving you the tax and book value of fixed assets.

### **Looking forward:**

- Improvements to quotes and inventory
- Mobile Xero android touch app
- Improved interaction with help centre
- Employee pay app for employees.
- Bank feeds 2-0 – including auto provisioning.

### **Announcements for Partner Programmes**

- Training can now be undertaken in the classroom, via webinar, self-place learning.
- Announced the release of the new Xero TV and to be released Xero University to help with training all in the one place
- Platform levels now able to be achieved through a point system as well as subscription base.
- Free conversions for up to 5 client for April – June.
- Release of a Partner Tool Kit for Bronze members and above. Includes a portal to help with campaigning for clients etc.
- Xero will be providing cash management solutions to help Financial Planners who now need to be certified and registered.

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[Business.gov.au](http://business.gov.au) has recommended small business owners be aware of several legal compliance matters in particular this year.

1. Privacy Act changes due in March 2014 - [see this link for more detail on current requirements](#)
2. New anti-bullying laws - [see this link for more information](#)
3. Contractors - [is the worker an employee or a contractor?](#)
4. Unfair dismissal - businesses with fewer than 15 employees have different rules about unfair dismissal of employees, [click here for details](#)
5. Licences - many businesses require certain licences from local, State or Federal agencies, [click here for details](#).

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### Australian Business Register

#### Australian Business Register website

The ABR website has been given a makeover and has taken over some functions from other government websites.

This will now be the main point of access for a business to verify the details of other businesses they deal with. There is a link from the ABR website for the ABN lookup site.

It is divided into 3 sections: Business, Super Funds and Charities; Tax Agents; Government Agencies. Businesses now use this website to register for an ABN or update business details, and register for an AUSkey.

Tax agents can apply for an ABN on behalf of their clients or update the ABN details, and apply for registrations such as GST, PAYG and business name. There are links directly to the tax agent portal. It seems that BAS agents are unable to access their portal from this website. Although a BAS agent can put their registered agent number in via the Tax agent link, functions will be denied access.

According to the BAS Portal Access Manager, we have the ability to update a client's registration details. Yet we are not able to access this facility via the ABR website. Access is denied because "you are a BAS service provider and not an active Tax Agent". A BAS Agent can still login to their portal directly to perform these functions, just not via the ABR website. We will investigate further and report back.

<https://abr.gov.au/>

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### TFN Applications Through Australia Post

Australia Post and the ATO have partnered up to make applying for a TFN easier and quicker.

TFNs can now be applied for online and verified at participating Australia Post outlets. Online application: <https://smarteform.com.au/onlineforms/ato/tax-file-number-application-or-enquiry-for-individuals/>

Once a person has applied and printed a summary, they can then go to an Australia Post outlet, provide the relevant proof of identity documents, and the application will be processed within 28 days.

<http://www.ato.gov.au/Media-centre/Media-releases/Red-tape-wrangle-removed/>

## Reckon Releases Reckon One

### From Cloud Accounting Buzz:

Today (11th February 2014) is probably an auspicious date to release the long awaited cloud accounting software, it is the day after Reckon formally ended its agreement with Intuit and the same day that the company launched its new website. It has been a long time from the fanfare of the product launch in May until today, and there have been several premature announcements but this time, no announcements until the release actually happened.

I set up a new company or 'book' as it is termed to see what had changed since I last looked at the beta version and generally to assess how it all hangs together. The set up was easy with a free 30-day trial available. I selected the Medium version of each of the modules on offer to make sure I accessed maximum functionality and then I was into the set up wizard to guide me through the initial screens.

For the full blog article see this link: <http://cloudaccountingbuzz.wordpress.com/2014/02/11/reckon-one-release-day-has-arrived/>

In her blog, Margaret reviews functionality in the following areas:

Navigation, Dashboard, Customers and Suppliers (Contacts), Chart of Accounts, BAS, Customer Invoices, Cash Sales and Purchases, Bank Feeds, Projects/Job Costing Projects, and Reports.

She summarises by saying:

So this release is very much a work in progress. The functionality that has been delivered looks to be robust, but is really just the building blocks for what has to come later if the product is to be a serious contender in the cloud accounting software space. I don't think Xero or Intuit have much to worry about in the short term at least. No timelines for future releases are available but I do hope the delays will be a bit less than the delay on the initial release. Would I recommend it to a client? Almost certainly not yet, there is still too much functionality that is not yet there, however as some of these gaps are plugged, my reckoning could change.

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## From the ICB



This Month...

## Business Newsletter - eBrief - February 2014



The February 2014 Bookkeeping eBRIEF is now available for you to download.

- [February 2014 Bookkeeping eBRIEF - PDF](#)

[Back copies are available here](#)

*"The best bookkeepers using the best resources".*

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## What's New This Month

### New Resources

- January 2014 Members Newsletter Podcast - [Link](#)
- TAPS eNewsletters for February 2014 - [Link](#)

### News Items

- [2013 Survey results are in](#)
- [TPB - Guidance on managing conflicts of interest](#)
- [MYOB announces plans to change market dynamics](#)
- [Financial Planners / Advisors DO NOT .....](#)
- [Cease use of QuickBooks and Quicken trademark](#)
- [January 2014 Newsletter Podcast is now available](#)

### ICB Q & A Space News

During February there has been some interest in '[Using Xero as a Bookkeeper - do you like it?](#)', the jury is definitely out on this one, seems from the comments that Xero needs to do a little more work with payroll and reporting to win people over completely. Funnily enough, there is some debate regarding [Xero vs MYOB](#). The discussions during December on the forum have certainly been varied, anything from [How do you get a start as a Bookkeeper](#) and [Reporting an untrained bookkeeper](#) to [Internal company chat program](#). You can check all the [latest threads](#) out here.

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

#### Portal Maintenance - Downtimes Scheduled

As many of you will no doubt have discovered by now, you are receiving SMS messages from the ATO regarding outage times for the portal. If you are not receiving them but would like to, make sure you have registered a mobile phone number in your TPB contact details.

See this link for scheduled times for system maintenance:

<http://www.ato.gov.au/Business/Business-Portal/In-detail/Using-the-portal/System-maintenance-and-issues/>

The above link also includes a link to the ABR website for their scheduled maintenance.

During these times you will be unable to login to the portal.

Upcoming scheduled portal system maintenance:

<b>Scheduled start time</b>	<b>Scheduled end time</b>
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Saturday, 8 March 6.00pm AEDT	Sunday, 9 March 6.00am AEDT
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Saturday, 5 April 6.00pm AEDT	Sunday, 6 April 6.00am AEST
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## Portal Changes

Some changes have been made to communications between the ATO and registered agents via the portal. See these links for more detail.

### BAS Agent Portal

Information about using the BAS Agent Portal to send messages to and receive messages from us on a range of topics. This is a secure channel to send information including attachments, and to view the history of a message and track the progress of an issue.

<http://ato.gov.au/Tax-professionals/BAS-agents/In-detail/Working-online/BAS-Agent-Portal/Mail---BAS-Agent-Portal/>

### Managing your Practice inbox

We can send secure messages to you via the Tax Agent and BAS Agent Portals, instead of posting you a letter or phoning you. To ensure you receive these messages, you need to know how to manage your Practice inbox. When you set up your portal access, you need to set up your practice inbox. You can allocate messages to other mailboxes within your portal, but you will not be able to forward messages externally.

<http://ato.gov.au/Tax-professionals/Tax-Agent-Portal/In-detail/Messages,-mail-and-forms/Managing-your-Practice-inbox/>

### For more on setting up and accessing portal mail:

<http://ato.gov.au/Tax-professionals/Tax-Agent-Portal/In-detail/Messages,-mail-and-forms/Accessing-portal-mail/>

### Email notification - portal Mail

Tax Agent and BAS Agent Portal Mail is a secure channel we can use to communicate with you, instead of phoning or sending you a letter. You need to set the email notification within your portal if you wish to receive an email to another address to alert you that there is a message in your portal.

Emails from the portal will always be from the address [Taxofficeportalmessagenotify@ato.gov.au](mailto:Taxofficeportalmessagenotify@ato.gov.au).

<http://ato.gov.au/Tax-professionals/Tax-Agent-Portal/In-detail/Messages,-mail-and-forms/Email-notification---portal-Mail/>

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## ATO Business and Industry Expertise Register

The ATO are establishing a business and industry expertise register, in order to “embrace a wide range of consultancy and professional services for the provision of practical business and industry expertise”. The services required will be in the context of the large business tax compliance functions of the ATO.

Accepted providers will be remunerated for services provided.

Applicants must possess a minimum of 10 years' experience in senior roles in large businesses having a turnover greater than \$2 billion in the following areas:

- industry specific expertise, for example banking and finance, insurance, energy and natural resources, e-commerce, international finance
- governance
- risk management
- financial audit and
- assurance
- finance and Treasury
- accounting
- taxation

For more information or if you have any questions about this register email us at [BusinessandIndustryExpertiseRegister@ato.gov.au](mailto:BusinessandIndustryExpertiseRegister@ato.gov.au) or contact Anita Agett on (02) 6216 1806.

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### Additional Method for Monthly PAYG Instalments

If you pay your PAYG Instalments on a monthly basis, there is an additional simplified method for calculating your instalments that you may be entitled to use. This method is designed to reduce the cost of calculating instalments on a monthly basis and is available from 1st January 2014 for relevant entities.

Instead of calculating the actual figure each month, you make a "reasonable estimate" for the first 2 months of each quarter, then do the actual calculation for the whole quarter at the end of the 3rd month. Pay the balance of the total less the estimated amounts already paid. For most entities, monthly PAYGI payments are due by the 21st of the following month.

### Who pays PAYG Instalments monthly?

The change in method is designed to make it easier for corporate entities to pay their instalment obligations in alignment with their GST obligations, and to allow for responsiveness to changing economic conditions faced by the business.

Corporate tax entities (companies, corporate limited partnerships, corporate unit trusts or public trading trusts), as well as superannuation funds, trusts, sole traders and large investors, will be required to make PAYG income tax instalments monthly rather than quarterly if they fall within the specified threshold limits. This new system will apply to entities that fall within the specified thresholds:

Entity type	Applicable threshold	Starting date
Corporate tax entities	\$1 billion	1 January 2014
	\$100 million	1 January 2015
	\$20 million	1 January 2016
All other entities (including superannuation funds, trusts and individuals)	\$1 billion	1 January 2016
	\$20 million	1 January 2017

It seems that this system will be useful for a small portion of businesses—i.e., the very large, that during the course of a year have to face great variations in their income. This system will allow those businesses to make an estimate of income and pay their PAYGI obligation accordingly. It should also make the payment of the obligations easier being monthly rather than quarterly.

But will it really “reduce the compliance burden of calculating monthly instalments”? For example, if your “reasonable estimate” for the first 2 months turns out to be in excess of the total required for the quarter, you cannot receive a refund for the overpayment. You must then revise your instalment income lodgement from the previous months to balance the amount reported.

The new system does not change the rules regarding instalment rate variation. Instalment rates can still be varied using the appropriate codes for variation. If you have clients that have been or will be moved to this system we would like to hear about whether it benefits you the bookkeeper and the business owner, [let us know here](#).

For more detail on the system, [click here](#).

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### ICB Links

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

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### ICB Membership Statistics as at 31st January, 2014

**3,525**  
2,348 Members maintain Fellow, Member, Associate, Affiliate and Educator membership, ICB also has 25 Accredited Training Provider members, 1,120 Student Members and 32 Subscriber Members.

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### ICB Supporters and Sponsors



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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](mailto:admin@icb.org.au)

**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.

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