

The Institute of Certified Bookkeepers

Newsletter

(This newsletter is our Newsletter recipient version, our Members newsletter contains further details and direct links. For further information on becoming a Member with the ICB, [click here](#))



December 2008

A PDF copy of this newsletter is available, [click here](#)

www.icb.org.au

This month:

[The World Is Closing Over Christmas](#)

[Your Feedback is Most Welcome](#)

[Proving your identity to the ATO](#)

[Quotes / Orders / "this is a tax invoice when paid"](#)

[Private Expenses](#)

[Wage Rates Went Up](#)

[FBT and festive activities](#)

[Time limit for claiming refunds – 4 years](#)

[Lodgement deadlines](#)

[Government incentives that may help your clients](#)

[Tax cut for small business](#)

[Certificate IV in Financial Services \(Bookkeeping\) comes to Rockhampton](#)

[ICB Code of Professional Conduct – Members Duties](#)

[Membership Benefits](#)

[Latest News](#)

[What's New on the ICB WEBSITE?](#)

[Membership Statistics](#)

[Renewals](#)

[Christmas gift suggestions](#)



From everyone at ICB, we wish you a safe and happy Christmas, relax and enjoy the important things in life.

However you celebrate, stay safe.

The World Is Closing Over Christmas

ICB

Office closed between Christmas and New Year however, support and assistance emails will be monitored and answered during this time.

MYOB

MYOB Partner Relations office and their Administration will be closed for the holiday period from 22 December 2008 until Monday 5th January 2009. During this time Technical Support will still be available (except for public holidays). If you have any technical questions please contact the Technical Support team on **1300 555 114**. Users of M-Powered services: normal processing in accordance with working Bank days: so Payments sent before 4.45pm will process that day if it is a bank work day. Superannuation payments normal process with the 3 day clearance of funds.

QUICKBOOKS

Closed for public holidays but Customer service and Technical Support are working through the break from 9am to 5pm

BANKS

All banks are talking in terms of 24th is a normal bank day and process cut offs seem to be 6pm throughout. No processing happens over public holidays or weekends so anything processed after 6pm on 24th will not be effected until Monday 29th but here is the list:

Westpac: Payments must be made before 6pm 23rd December to be received pre Christmas

National Australia Bank: All payments in by 6pm on the 24th or they will not go through until Monday the 29th.

Commonwealth: normal business ie payments in before 6pm on the 24th see full details at <http://www.commbank.com.au/news/news8.aspx>

ANZ: normal business day processing ie 6pm cutoff

ATO

The Tax Office will conduct essential maintenance over the Christmas-New Year period that will require all computer systems and applications to be shut down.

This means all our systems and services including the Tax Agent Portal, electronic lodgment service, telephone services and the Tax Office website will be unavailable from 4pm EDST on Wednesday 24 December 2008 until 9am EDST on Monday 5 January 2009. In addition, there may also be some disruption to services from 19 December and after 5 January.

Australian Bookkeepers Network:

Office closes noon 24th December and reopens on Monday 5th January. BAS Wizard items can be submitted but will not be actioned until the January 5th.

[Return to the contents listing](#)

Feedback Most Welcome

We receive significant feedback and I am pleased to say 98% of it is positive.

The 2% negative relates to things like; phone messages not getting returned (sorry our voicemail messages that get emailed to our computers melted down for 24 hours until someone told us about it) and not receiving newsletters (ISP's are getting tighter leading to some of our emails not getting through, we are looking to secure this process to be 100% successful).

Below I have provided a recent email (edited to protect the innocent.....)

Subject: RE: MEETING ORGANISED BY ICB HELD IN NERANG

Good morning Matthew

Just wanted to give you some feedback on the meeting held by Deb Thompson – very impressed and lovely to see familiar faces. John Stringer from Aussie Accounts addressed some interesting alternatives for the Bookkeepers who are serious about Compliance and embracing the new laws to become “legal” in the eyes of Australian Taxation Office.

Something brought up at the meeting and have now implemented: Customer Relations Feedback.

So the purpose of my email to you is to re-iterate how important it is to attend ICB meetings, and how we can learn something new about what we are NOT doing. This whole exercise has given me a lot of motivation and now implementing new procedures, the most important for me a) Engagement Letter; b) Directors Guarantee; c) Scope of Work Undertaken. I did some bluffing and told my existing clients that it was required by me to implement these new procedures as part of my Cengage studies and have received excellent feedback, no complaints, and have formal contracts in place with terms of trading. Just goes to show, you can teach an “old dog new tricks”.

I have promised Deb will make a concentrated effort to attend all future meetings. Thank you Matthew for your excellent support and assistance you have given me personally since joining ICB and wish you, management and staff a safe and happy Xmas and New Year.

*Kind regards
Gillian*

(But I am not telling you which Gillian 😊)

[Return to the contents listing](#)

Proving your identity to the ATO

Proof of Identity

There are concerns about the Proof of Identity requirements when phoning the Tax Office Call Centre on behalf of another entity.

The ATO has implemented an interim approach as of 19 December 2008 that will assist third party representatives (i.e. bookkeepers etc) when they telephone the Tax Office. The ATO will need to confirm that the third party representative is authorised by requesting the following information:

- an identifier for the entity - ABN, TFN or name
- plus two items of proof for the entity
- the name of the caller which must be recorded on our systems, plus
- one personal item of proof such as date of birth, residential address or bank account number.

The two items of proof for the entity may be address of the entity; entity bank account details; amount of the last refund, payment or account balance; or details from a Tax Office generated notice limited to sequence number from a notice of assessment or refund notice, activity statement document identification number, or name or title of a Tax Office generated notice that does not have any identification number.

Once the ATO full risk assessment has been undertaken the ATO will request feedback from BAS Service Provider representatives. I find the proof of identity procedure to be annoying both when you ring the ATO and when they ring you. The good news is that the ATO have

listened to the concerns and are developing a better process. Once registered BAS Agents exist the process will again become better.

Please let us know of your experiences both positive and negative for purpose of providing feedback to the ATO

[Return to the contents listing](#)

Quotes / Orders / “this is a tax invoice when paid”

Or not!

Documents that are merely offers **GSTR 2000/17**

26A. in some situations, you may issue a document to a prospective recipient that is an offer to make a supply. Examples are subscriptions to trade magazines, access to online legal research, membership of professional associations and provision of training courses or seminars. You will not know whether there will be a supply when you issue the document.

Where the prospective recipient is offered a choice of supplies or early payment options you will not know which, or how many, of the offered supplies will be accepted, nor will you know the final price for the supply or supplies accepted.^{10A} Because a tax invoice is a document that relates to a taxable supply, the offer document cannot be a tax invoice when it is issued. 26B. to save suppliers from having to issue another document if the offer is accepted, the Commissioner will treat an offer document as a tax invoice in the following circumstances.

This discretion is exercised only in respect of offers made to multiple parties (for example, all the members of an association or a substantial number of members). It is not being exercised for an offer made by a supplier to a single recipient (for example, a 'quote' given by a professional or tradesperson). Subject to these limitations, the Commissioner exercises this discretion, where the following conditions are met

- the offer must be accepted and payment made; and
- the offer document, when issued by the supplier, meets the requirements of subsection 29-70(1) in respect of the total of all supplies being offered;^{10B} and
- the offer document is completed by the prospective recipient and, when completed, indicates the supplies accepted, the total amount payable and the GST included in that amount; and
- the offer document includes the following or similar statement:
'This document will be a tax invoice for GST when fully completed and you make a payment.'

NOTE:

This doesn't provide a mechanism for enforcing/encouraging payment by recalcitrant customers i.e. they can claim back the GST unless they have paid you as it isn't a tax invoice until paid.

The rulings do clearly make a difference between an invoice – which requires payment and a tax invoice which allows you to claim the GST back.

So maybe your customers could issue an Invoice for the supply of goods but don't issue the Tax Invoice until payment received. I am not sure it is worth it

NOTE: This does provide **A** mechanism for less paperwork in some circumstances.

[Return to the contents listing](#)

Private Expenses

Since my presentations in September a number of members have sought confirmation of **ONCE A YEAR PRIVATE APPORTIONMENT**

The ATO guidelines and determinations allow the following for some businesses:

- annual turnover of \$2 million or less, or
- not paying GST by installments nor reporting GST annually.

then

- During the year: the business may claim all GST credits on expenses

and then

- After the end of the income year,
- Make one single adjustment for private portion of expenses which includes the GST adjustment

This adjustment will increase the amount of GST your clients are liable to pay for the tax period in which they make the adjustment.

<http://www.ato.gov.au/businesses/content.asp?doc=/Content/53693.htm> is the link to the ATO guideline

[Return to the contents listing](#)

Wage Rates Went Up

Federal Minimum Wage increase from 1 October

Just in case you missed it:

From **1 October**, employers will need to adjust their payrolls to take into account a \$21.66 per week increase in the standard Federal Minimum Wage. **The increase takes effect from the first pay period on or after 1 October.** From this date, Federal Minimum Wage increases to \$14.31 per hour or \$543.78 per week.

[Return to the contents listing](#)

Fringe Benefits Tax and your festive activities

With Christmas just around the corner the Tax Office is reminding employers to consider FBT obligations when organising office Christmas parties and gifts for employees.

The Tax Office has developed a fact sheet *Fringe benefits tax and Christmas parties* to help explain the FBT implications of your Christmas celebrations.

The fact sheet contains useful information on the minor benefit exemption threshold of \$300 per employee. In most cases this means employers can spend up to \$300 per employee (including on Christmas parties) without being subject to FBT.

The *Fringe benefits and Christmas parties* fact sheet, along with more information on FBT, is available from the Tax Office website

[Return to the contents listing](#)

Time limit for claiming refunds

From 1 July 2008 onwards, claims for all refunds must be made within four years of the end of the tax period they relate to. The four year time limit also applies to the ATO revising your activity statement.

You may have a refund due to you as a result of an amendment related to your:

- goods and services tax (GST)
- wine equalisation tax (WET)

- luxury car tax (LCT), and
- fuel tax credits.

For more information, refer to:

- [GST and indirect taxes: refunds and amendment time limits](#), or
- [105-65 of Schedule 1 to the Taxation Administration Act 1953](#) for refunds that relate to overpaid GST (including for no supply transactions).

[Return to the contents listing](#)

Lodgement deadlines

- If you report GST quarterly, your quarter 2 activity statement and any payment is due by 28 February 2009
- If you report GST monthly, your activity statement and any payment is due by the 21st of each month.

Variations to instalment amounts or pay as your go (PAYG) instalment rate must be received by 28 February 2009. Variations received after the due date may not be accepted.

[Return to the contents listing](#)

Government incentives that may help your clients

Small Business Incentive 1

Relating to any work you are doing where a taxpayer with turnover of less than \$2m, buys a depreciable asset between 13 December 2008 and 30 June 2009 that costs more than \$10,000.00 (it must be in use before 30 June 2010), then there will be a one off 10% investment allowance i.e. an extra tax "rebate" amounting to 10% of the cost of the asset

For full details:

<http://www.treasurer.gov.au/DisplayDocs.aspx?doc=pressreleases/2008/141.htm&pageID=003&min=wms&Year=&DocType=0>

[Return to the contents listing](#)

Tax cut for small business

To further assist small businesses during the global financial crisis, the government recently announced a tax cut to the quarterly Pay As You Go (PAYG) installment. The PAYG reduction will generally only be available to small business entities which have an aggregated turnover of \$2 million per annum or less.

For PAYG installments due on either 21 January 2009 or 28 February 2009, the amount payable will be reduced by 20 per cent.

For more information,

<http://www.treasurer.gov.au/DisplayDocs.aspx?doc=pressreleases/2008/140.htm&pageID=003&min=wms&Year=&DocType>

[Return to the contents listing](#)

Certificate IV in Financial Services (Bookkeeping)

CQ Dynamic Training have recently partnered with Quality Training Solutions, which enables them to offer the Certificate IV in Financial Services (Bookkeeping) in Rockhampton and Surrounds.

CQ Dynamic Training aim is to lift the standard of bookkeeping in central Queensland as well as to help business owners understand the role and importance to their business of a competent bookkeeper and record keeping.

For full details, please contact Denise Dielwart from CQ Training on 0429 303 023, fax: 07 4936-3176 or email modernmethods@supernerd.com.

[Return to the contents listing](#)

Behaviour of the month

We are presenting this section to you to highlight the Institute's Professional Code of Conduct.

Members Duties

32. *A member must pay all membership subscriptions and professional indemnity insurance premiums payable by him promptly on such sums being due.*
34. *A member must inform the Institute of his address, telephone number, name and the name or address of his employer or practice and forthwith in the event of any change in these.*
35. *A member must:-*
 - a. *respond promptly to any request by the Institute for information or comments or documents*
 - b. *permit access forthwith on request to a duly appointed agent of the Institute to inspect the files and records of the member or of his clients*
 - c. *report to the Institute the fact of his being convicted on any criminal offence in any jurisdiction or having been subject to a finding a civil fraud or deceit by any civil court of competent jurisdiction or being disqualified from acting as a director*
 - d. *attend any meeting he is required to attend of the Disciplinary Panel of the Institute*
 - e. *comply with any direction of the Disciplinary Panel of the Institute*
 - f. *report to the Institute if he in the event of his being made bankrupt*

[Return to the contents listing](#)

Membership Benefits

*This resource is for **ICB Members only**.*

Under Resources (left hand navigation bar on the ICB Home Page – <http://www.icb.org.au>), we have a range of **Excel templates** available to Members. All the templates listed below are Excel documents, ICB Members can therefore download them to your computer and edit them for your own use.

- > [BAS Checklist](#)
- > [Bookkeeping year to date tax check](#)
- > [Break Even Calculator](#)
- > [Business Check sheet for Accountants](#)
- > [Cash Flow Worksheet](#)
- > [CASH GST Reconciliation](#)
- > [Comprehensive Cash GST Reconciliation Worksheet](#)
- > [Firms BAS Return System](#)

- GST Reconciliation Work Sheet
- Hire Purchase Calculator

[Return to the contents listing](#)

Latest News

- Inquiry into the Tax Agent Services Bill 2008
- Tax Agent Services Bill 2008
- Treasurer calls for input in the 2009-2010 budget

[Return to the contents listing](#)

What's new on the ICB Website

- BAS Service Provider Newsletter – Edition 21, December 2008
- New ICB Bookkeepers reference guide – updated with 2009/10 school holidays and 2009 public holidays.
- The updating of the ICB website continues!!!! Have a look at the “new” home page – <http://www.icb.org.au> We are always open to your opinions and suggestions, so if there is anything you think we should add/change, drop us a line..... do not be shy!!
- GST and grants - Information about the treatment of grants for GST purposes.

[Return to the contents listing](#)

Membership Statistics

983 in total: 654 people maintain Affiliate, Associate, Member or Fellow membership (excluding our 166 Student members and 73 Subscriber members), there are a further 90 applications in progress.

[Return to the contents listing](#)

Renewals

ICB members are renewing their membership at 89% - thank you, we value your support and we will continue to bring you relevant updates, resources and support.

[Return to the contents listing](#)

Christmas gift suggestions:

To your enemy, forgiveness
 To an opponent, tolerance
 To a friend, your heart
 To a customer, service
 To all, charity
 To every child, a good example
 To yourself, respect

Oren Arnold



Unsubscribe. The Institute of Certified Bookkeepers complies with the Spam Act 2003 and we have a documented [Spam Policy](#) on our website.

To unsubscribe from future ICB Updates, please [click here](#)