

The Institute of Certified Bookkeepers

Member Newsletter

January 2009

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www.icb.org.au



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Welcome back to planet Earth - A Great Time to Review Your Goals?

After the Christmas festivities and New Year celebrations, it is now time to re-enter the atmosphere and land back down on planet Earth – and yes.....the thud hurts.

The start of the New Year is a great time to go over your goals and reassess, and perhaps even add some more for 2009!

You could use an online goal program like www.joesgoals.com (which is very cool and user friendly!!) – but maybe you just need to go very low tech and invest in some file cards and a box.

In a funky little low tech box of goals you can have everything categorised:

P - For those goals already planned and waiting to happen.

G - For Goals that don't fit into any other category (your dream wardrobe, watching the sun set in the Bahamas)

B - For Business goals (income goals etc)

T - A favourite, Travel goals (nothing further needs saying)

E - Experiences you want to have (seeing a volcano erupt, going zorbing – [click here](#) to see what this is)

L - Things you want to learn (waterskiing, dancing, piano, sign language)

A - Affirmations, these aren't so much goals, but just things you could remind yourself of.

D - DONE! The most rewarding section! (include all your completed goals)

U - This is the Undone section. Goals you once thought you wanted but have now decided aren't a priority anymore (being flexible is good – keep them here as a reminder in case you change your mind again!)

This system works really well because you have room to write in detail where you need to, you can add pictures (which can get you much more excited than words) and you also have room to write when and how you achieved the goal.

Checking back through the 'Done' section gives you reasons to celebrate, moments to remember and a great record of what you have achieved.

Now of course, good things don't come cheap! You think you can pick up your very own goal box in any office supplies store for the princely sum of less than \$10.00 and if the low-tech goal box isn't for you, write a list, paint your goals on a wall, tattoo them on your leg – do whatever you need to do to make it work for you.

"A goal is a dream with a deadline."

Napolean Hill

This is part of *The Secret Weapons to Success Could Be Right at Your Fingertips* article by Kirsty Dunphy. To read the full article head to: www.kirstydunphey.com/sampleoo.html.

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A Day to Remember – ICB 2009 Information Sessions – March 2009

The Institute of Certified Bookkeepers is holding information sessions in all the major cities:

Canberra	March 4
Brisbane	March 5
Sydney	March 11
Darwin	March 12
Alice Springs	March 13
Melbourne	March 18
Hobart	March 19
Northern Tasmania	March 20
Adelaide	March 25
Perth	March 26

A Day to Remember - 2009 Information Sessions will be a full day filled with bookkeeper advice, bookkeeper information and bookkeeper resources, truly a **NOT TO BE MISSED DAY**.

Numbers **are** limited so book early.

From 9.30am until 3pm, lunch, morning and afternoon tea will be included.

The cost is \$135.00 for ICB Members and \$210.00 for non Members (Early Bird bookings are being taken – **book now and save \$10.00**)

You can click on your preferred location above to register and book online.

For full details, [click here](#).

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Award rate for bookkeepers

Bookkeeping rates vary enormously.

ICB suggests that an ICB member's minimum rate would be \$45.00 per hour for competent bookkeeping and period end work. We are aware that in the market place rates can vary from \$25.00 - \$200.00 depending on many differing circumstances, location, work required, your client, the complexity of the job and a million other reasons.

When setting your hourly rate, there are many factors to take into consideration, start with an annual salary you would be paid if your where employed (eg: \$55,000.00 pa), divide this to get your hourly rate, you would then need to take into account annual leave, sick leave, public holidays, superannuation – and that is just the beginning! (For research in relation to wage levels for bookkeepers have a look at <http://content.mycareer.com.au/salary-centre/accounting/bookkeeping>)

When setting your rate: What about work cover, stationary, your computer, your car, travel time, office space (whether it be an office out side of home or a back room at home), your outgoings, office furniture – the list goes on and on.....

However equivalent salary and covering cost is not everything as the part time nature of bookkeeping business or even some employees is very appealing and this also needs to be taken into account.

AWARD RATES

Different industries, different awards, different pays.

We found this website “for schools” interesting <http://www.worksite.actu.asn.au/index.php3> which suggested that award pay rates for casual “office administrators” would be:

SA: \$16.00 - \$22.00
TAS: \$14.43 - \$20.00
Vic: \$16.35 - \$22.00
Qld: \$15.00 - \$25.00
NSW: \$15.00 - \$25.00

The ultimate listing of awards for bookkeepers

Well..... there isn't one. But in order to determine what applies in a given situation:

- 1) Does the business have a workplace agreement in place for the position?
- 2) Is the company specifically cited to an award?
- 3) Is the business a member of an employer group that has an award applying to it?
- 4) Is the business in an industry that has a specific provision for bookkeepers?
- 5) What state is the employee in so that the general award can be applied?

The best way to work through this system is to ring the Workplace Infoline on 1300 363 264.

By their own admission they have database and search tools that help them find the answer that are not available to us.

The General Awards that apply are:

SA: Clerks SA: Award code AN150039
Vic: Clerks & Administrative Employees: AP773032
TAS: Administrative & Clerical Employees: AN170017
NT: Clerk Administrative Employees: AP839196
Qld: Clerical Employees: AN140067
WA: Clerks, Commercial, Social & Professional Services: AN160066
NSW: Clerks & Administrative Employees: AN120664

However it gets complex very quickly so best to ring.

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ICB Submission to Senate Economics Committee considering the Tax Agent Services Bill 2009

ICB took advantage of a specific invitation to provide a submission to the senate economics committee that now has a review of the Tax Agent Services Bill in its scope.

ICB took the view that in general the Bill and the resulting regulated regime for BAS Agents to provide BAS services was heading in the right direction.

HOWEVER

We stated that various parts of the bill and associated Explanatory Memorandum (EM) were incorrect and should be altered:

The EM includes under the impact statement and heading of “Inadequacy of consumer protection” as follows

6.16 For consumers, the narrow focus of the existing regulatory framework has two consequences:

- The first relates to quality of service provision. The different degrees of regulation under the current law for the provision of different types of tax agent services results in services of varying standards. For example, throughout consultation on these reform proposals, participants have communicated that the limited regulation of the provision of BAS services under the current law has allowed for a low standard of service provision, with tax agents frequently being required to re-perform work completed by bookkeepers to ensure its accuracy. The need for re-performance could cause inflation of costs to consumers and a decline in confidence in the industry.

The industry evidence is that only 8% of business use external bookkeepers to assist them with their bookkeeping and BAS preparation/lodgement. Over 80% of businesses do their own bookkeeping.

The proposed legislation only regulates contract bookkeepers i.e. those helping the 8%. It is our position and belief that the contract bookkeepers are producing better and more accurate results yet this legislation contains the above “low standard of service provision, with tax agents frequently being required to re-perform work completed by bookkeepers” as a rationale for regulating the relatively small population of contract bookkeepers.

Further recommendations made by ICB to the Senate Committee include:

Government must provide funding to communicate the existence of Registered BAS Agents

RECOMMENDATION A4: Government must be responsible for allocation of significant funding and resources to enable communication to all taxpayers concerning the use of registered Agents, including especially BAS Agents and to all intermediaries as to what functions require an entity to be registered.

RECOMMENDATION A5: Senate must ensure that adequate funding is provided for enforcement of the new legislation particularly in relation to the prosecution of “unregistered” entities.

Government should assist bookkeepers in meeting the registration requirements

RECOMMENDATION B2: The Government should establish an education sponsorship scheme specifically aimed at funding the updating or embracing of education to the required standard by aspiring BAS Agents.

RECOMMENDATION B3: The Government must recognise the low revenue base and therefore the immense financial impact that any increase to cost has on the majority of aspiring BAS Agents.

Code of conduct should:

Require COMMUNICATION of adjustments

Ensure SKILLS IN THE BOOKKEEPING TOOLS

RECOMMENDATION C3: The EM be amended to include specific requirement and description of the obligation on the agent to either provide notification of the types of adjustments made to the information provided in forming the end of year financial statements (or for any other financial period), or to work directly with the client or other intermediary in ensuring the clients books of record are amended to include the adjustments.

RECOMMENDATION C4: The EM be amended to include specific requirement and obligation on the Agent to either; have the skills and bookkeeping tools in house in order to utilise the bookkeeping mechanism of the client, or to ensure the agent does not undertake work which relies on a bookkeeping mechanism that they do not have the requisite skills and competence.

BAS agent / Bookkeepers must be represented on the Board

RECOMMENDATION D1: The Tax Practitioners Board must include members of the BAS Agent / Bookkeeper community.

RECOMMENDATION D2: The Boards delegated committees must consult include members of the BAS Agent / Bookkeeper community.

RECOMMENDATION D3: The Board and its committees must work with the BAS Agent / Bookkeeper community prior to issuing legislative determinations that effect the operations of the BAS Agent.

Business must have better incentives to use a registered BAS Agent

RECOMMENDATION E2: A system of BAS liability concession should be implemented whereby each business who utilises a registered BAS Agent is permitted to deduct \$200 from each BAS reviewed and lodged by that Agent.

RECOMMENDATION E3: That lodgement timeframes are extended for registered BAS Agents thereby allowing further incentive for businesses to use a BAS Agent and to allow levelling of the workload for BAS Agents over a greater period of time.

The Board not the applying BAS Agent is responsible to progress the application

RECOMMENDATION F1: The Bill be amended to read "If the board does not decide your application within 6 months of receiving it, the board is taken to have issued a temporary registration for the period until the finalisation of the application to register process.

For a full copy of our 28 page submission [click here](#)

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Disciplinary & Investigation committee

During late 2008 the ICB Disciplinary & Investigation committee received two formal complaints in relation to members.

One complainant sought the intervention of ICB in a dispute over fees for past service: This was not considered a formal nor required role of ICB to mediate between an ICB member and the aggrieved client without specific matters of breaches of the ICB code of professional practice. No further details were provided by the complainant.

In the 2nd matter:

Member action required; Ex-client business records incorrectly being held pending receipt of payment were returned to the client.

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Hiring the Wrong Bookkeeper

Keeping a tight rein on your finances and hiring the right bookkeeper to guard them is paramount.

My father and I owned a grocery store when I was growing up. His bookkeeping system was unique. I called it the "Two Lard Can Accounting Method." All week long he would put the daily invoices into the first lard can (these were big drums that lard came in for our deep fryers) and then on Sunday evening he would start pulling out the invoices, put each supplier's bills together and write them a check. He then moved the invoices into the "Paid" lard can.

Then he would take all the employees time cards out and pay them. If there was any money left over, he paid things like the rent, taxes and utilities. And if there was anything left after that, he left 50% of it in the checking account and paid himself the balance. He knew EVERY Sunday night where he stood.

Today you use things like QuickBooks or MYOB to do your bookkeeping. But here is the rub, if you don't use it yourself, are you sure your bookkeeper is entering things in the right way? If you're hiring a bookkeeper this year, take the time to find out if they know what they are doing. Have your accountant sit in on the interview.

A bad choice can cost you hundreds of thousands of dollars.....OOPS!

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For business: Useful legal newsletter articles

On this occasion we refer you to a legal company newsletter containing two articles we felt particularly useful:

Collecting money owed to you – use a statutory demand

Retain title in good until paid – the right documentation

These articles can be found at:

http://www.mk.com.au/content_pages/newsletter_pdfs/reMarkSummer08.pdf

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Fringe Benefits Tax

With Christmas gone, the Tax Office has developed a fact sheet [Fringe benefits tax and Christmas parties](#) to help explain the FBT implications of your client's Christmas celebrations.

We have been asked to provide a bookkeepers guide to how to deal with FBT – which exists on the ICB website for Members - [click here](#)

In short:

FBT & Bookkeeping generally should be a very simple approach

- 1) Ensure the accountant has input into how you are treating various expenses (entertainment being the big one)
- 2) Record it
- 3) Be advised of any adjustments by the accountant

Provide the accountant with pointed details to ensure they consider the FBT obligation and any related income tax impact.

a. If the company has provided benefits to employees that fall within the "minor benefit" category then maybe you have an account in the list of expenses for "Minor Benefits to staff"

The FBT fact sheet above contains useful information on the minor benefit exemption threshold of \$300.00 per employee. In most cases this means employers can spend up to \$300.00 per employee (including on Christmas parties) without being subject to FBT.

Bookkeepers Recording & Reporting Recommendation

Use a tagging system – for some clients use job numbers for some maybe it requires a change to the chart of accounts: Cars – dissect or tag the expenses for each unique vehicle

Entertainment (meal benefit) – use the 50 / 50 method so ensure all meal entertainment expenses are tagged or allocated to one chart of account line and this is advised to the accountant (remember this type of Fringe Benefit doesn't have to be reported on each employees PAYG Summary.

All other benefits – tag them. Because these expenses are typically part of an employee's package then many employers would/should allocate such expenses to one account called "Salary package expenses". If they are expenses outside of the package then maybe it's an account simply called "Fringe Benefits". At least the amounts are then caught and obvious for each FBT year reporting.

The *Fringe benefits and Christmas party's* fact sheet, along with more information on FBT, is available from the Tax Office website: www.ato.gov.au/fbt

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Behaviour of the month

We are presenting this section to you (and will continue to do so in forthcoming newsletters), to highlight the Institute's Professional Code of Conduct. You can download a full copy of the Institute's Professional Code of Conduct [here](#).

"In Society a bookkeeper has a special role. Trust in the accounts and books of businesses and individual's is dependent on the bookkeeper's truthful, careful and diligent making and keeping of records. The purpose of these rules is to provide standards of conduct for members of the Institute of Certified Bookkeepers which are appropriate to their conduct in their employment and practice and the preservation of the dignity of their profession".

Investigations and Disciplinary Hearings

36. Any complaint received by or initiated by the Institute shall be referred to a director of the Institute who shall for this purpose be appointed to investigate or make inquiries about the complaint for the purpose of enabling the Board to deal with it ["the Investigations Officer"].
37. Upon the making of a complaint, the Investigations Officer shall write to the member notifying him of the substance of the complaint and inviting him to comment upon it within 21 days of the date of the Investigation Officer's letter.
38. If it appears to the Investigating Officer that sufficient investigations have been undertaken, the Investigations Officer shall convene a meeting of not less than two members of the Board to consider the accusation: ["the Disciplinary Panel"].
39. The member about whom the complaint has been received must have not less than 14 clear day's notice of the hearing before the Disciplinary Panel. The notice shall be in writing and sufficient service shall be made by sending it by first class post to the address shown on the member's Institute membership records. The notice shall contain the following information:-
 - a. the date of the hearing before the Disciplinary Panel;
 - b. the location of the hearing before the Disciplinary Panel;
 - c. the nature of the allegation that has been made against the member;
 - d. his right to attend and represent himself at the hearing or be represented by counsel or a solicitor as he shall think fit
 - e. his right to request copies of any documents that the Disciplinary Panel may be referred to his right to request copies of any documents that the Disciplinary Panel may be referred to
 - f. that the hearing will be conducted in the English language
 - g. if the Investigations Officer will be arguing that the complaint is not made out then the following words
 - h. "The Investigations Officer, having conducted his investigations and enquiries into complaint No, forms the view that there is no satisfactory evidence against you IN RESPECT OF

- COMPLAINT NO... and will be inviting the Disciplinary Panel to formally DISMISS THAT CHARGE against you in respect of that Complaint. Whilst you have a right to attend that part of the hearing, you are not required to attend in respect of that complaint."
40. The Investigating Officer shall attend to explain the substance of the complaint and present the evidence of any complaint and ask questions of the member (should he elect to give evidence) before the Disciplinary Panel but shall not participate in the considerations of the Disciplinary Panel.
 41. Any evidence given by the member shall be on oath.
 42. The hearing before the Disciplinary Tribunal shall be governed by the rules of natural justice subject to which the tribunal may:-
 - a. admit evidence, whether written or oral, whether direct evidence or hearsay, and whether or not the same would be admissible in a court of law
 - b. give directions as to the conduct of the hearing and the admission of evidence to ensure that the member has a proper opportunity of answering any charges that are made against him.
 - c. provided that they are satisfied that the procedure under rule 39 has been complied with hear and make decisions on the complaint against the member notwithstanding his absence
 - d. amend any charge against the member provided that they are satisfied the defendant will not suffer substantial prejudice in the conduct of his defence by the amendment
 - e. make any inference of guilt or otherwise as shall seem appropriate in the circumstances from the member's failure to answer the complaint in writing or by attending in person at the hearing
 43. The Tribunal may:-
 - 43.1 adjourn the hearing
 - 43.2 on finding that the complaint is trivial or not proved
 - a. dismiss the complaint
 - b. postpone the hearing pending further investigations or inquiry
 - 43.3 On a finding by a majority of the Disciplinary Tribunal present that any complaint is proved beyond reasonable doubt may deal with the complaint by making either no order or by any one or more of the following penalties in respect of that complaint:-
 - a. be given a informal or formal warning
 - b. be fined up to \$2,000
 - c. be suspended from all or any of the privileges of membership for a stated period of time
 - d. be expelled from the Institute and will then immediately forfeit his interest and privileges in the Institute without further claim for calls and for any other money paid to the Institute, but will remain liable for any calls, annual membership fees or other money outstanding at the date of expulsion
 - e. be ordered to pay all or any part of the costs of the investigation or hearing
 44. If a notice is sent under rule 39(g) to the member, the Tribunal shall dismiss the complaint to which it relates
 45. The tribunal shall give short reasons for any decision and the Investigations Officer shall as soon as practicable thereafter send to the member confirmation of the decision in writing.

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Membership Benefits

We all love to see value for money..... right? Well ICB is *'tickled green'* to be able to advise ALL members that the upcoming 'A Day to Remember' information sessions will see members saving \$75.00 on the listed price – full details – [click here](#).

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Latest News

- > Essential references for bookkeepers.....[click here](#) for the full story
- > WARNING - More rubbish being spread about the new law.....[click here](#) for the full story
- > ATO is now recording all phone calls.....[click here](#) for the full story

- ICB Submission to Senate Economics Committee.....[click here](#) for the full story
- Treasury Standard Business Reporting program.....[click here](#) for the full story
- ATO Bookkeepers Group.....[click here](#) for the full story
- Lodgement and information systems comparison table for BAS service providers.....[click here](#) for the full story

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What's new on the ICB Website

- ATO issue Electronic Lodgement declaration for Activity Statements.....[click here](#)
- BAS Service Provider Newsletter – edition 21, December 2008....[click here](#)
- Do you have a client in the food industry? – then this is for you....[click here](#)
- Payroll Record Keeping.....[click here](#)
- Payslip Obligations.....[click here](#)

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Membership Statistics

1021 in total: 643 people maintain Affiliate, Associate, Member or Fellow membership (excluding our 182 Student members and 75 Subscriber members), there are a further 121 applications in progress.

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Renewals

ICB renewal rate remains above 89%. Thank you and well done.

Membership renewals can be made at any time, otherwise, we will let you know in the month prior to your membership expiring.

You can download a Member renewal form [here](#) and a Practising Certificate renewal form [here](#) and return to us by mail (Level 27, 525 Collins Street, Melbourne 3000) or Fax: 1300 85 73 93.

If you are having any problems regarding your membership renewal, please contact us. By working together we can overcome most issues and assist you in retaining your hard earned membership.

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