

Private Client Business Newsletter 2015

Dear Friends,

We have pleasure in providing you with our 36th Annual Business Newsletter. We hope this document finds you in great health and spirits and assists you in operating your Business in a more efficient, effective and rewarding way.

Service Milestones

We are very proud to officially recognise the excellent contribution of Phil Eddy achieving 35 years of service in July, and Katrina Jolly achieving 15 years in June.

Budget & Tax Update - 2015

- Living away from home allowance (LAFHA):
 - Transitional rules apply to arrangements in place as at 01/10/2012, extending commencement date of new rules to 01/07/2014.
 - ATO reasonable amounts still apply for food and incidentals, thus substantiation not required if under said amounts (must be able to prove that expenses incurred).
 - All accommodation costs must be substantiated.
- Small business (small business = turnover less than \$2m) start ups to be able to claim 100% of professional fees in year one, currently over five years (from 1/07/2015).
- Small business to be able to provide multiple portable electronic devices (even if they have similar functions) and devices remain exempt from FBT (from 01/04/2016).
- Small business to be given the ability to move from structure to structure without triggering a Capital Gains Tax (CGT) liability (from 01/07/2016).
- Small business able to write-off 100% of the cost of purchasing assets (no grouping) up to \$20,000 (from 12/05/2015).
- Small business company tax rate to be reduced from 30% to 28.5% (from 01/07/2015).
- Small businesses that are not incorporated to be eligible for maximum \$1,000 tax offset (from 01/07/2015).
- Small business programs to promote youth employment, e.g. subsidies (from 01/07/2015).
- Primary producers to get a 100% deduction for fences and water facilities and a 33% deduction for fodder storage (from 01/07/2016).
- Motor Vehicle claims to be restricted to logbook and cents per km only, 12% and 1/3rd methods to be abolished (from 01/07/2015).
- Motor Vehicle claims using cents per km to go single rate of \$0.66 per km (from 01/07/2015).
- Minutes of trustees resolving to distribute income to beneficiaries must be completed pre 30/06. Note: ATO to contact selected Taxpayers in July to obtain copies of same.

Superannuation Update - 2015

- Excess Superannuation Contributions (BEWARE) - This is a very important matter for clients wanting to contribute the maximum amount to superannuation. Please ensure you do not exceed the annual caps/limits. Taxpayers can contribute up to \$30,000 (\$35,000 if 49+ at 30/06/2014) in concessional (tax deductible) contributions.

SuperStream

- Employers with 20 or more employees have until 30/06/2015 to be compliant.
- Employers with 19 or fewer employees have until 30/06/2016 to be compliant.
- SMSF's with only related party employers are not required to comply.
- See the last page of this newsletter for a detailed SuperStream guide.

We look forward to seeing you soon.

Contents of this Newsletter:

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- ATO Benchmarking
- Tax Planning Tips/Strategies
- Pre 30/06/2015 Action, Review & Tax Planning Checklist
- Business Income Tax Return Preparation Checklist 2015
- Ongoing Housekeeping Requirements
- Business Survival & Improvement Strategies

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Services available from Philip J Eddy & Partners Pty Ltd:

- Taxation planning & compliance
- Business advisory & management
- Remuneration planning & packaging
- Estate & succession planning
- Self Managed Superannuation Funds
- Tax audit insurance

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Services available from Consultum Financial Advisers Pty Ltd:

- Financial Planning & Investment Advice
- Centrelink assistance
- All types of personal insurance

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ATO Benchmarking

The ATO is continuing to refine benchmarks for various businesses and using them successfully to prosecute taxpayers. The benchmarks are key financial ratios developed from information provided by businesses on activity statements and tax returns that can help you compare your business performance against similar businesses in your industry. The benchmarks are provided on the ATO website (www.ato.gov.au), the following is an example of the benchmarks given for a Hotel (2014 financial year):

Key benchmark ratio	Annual turnover range		
	\$100,000 - \$750,000	\$750,000 - \$2,500,000	More than \$2,500,000
Income tax return			
Cost of sales/turnover	42% - 53%	36% - 46%	32% - 47%
Average cost of sales	47%	41%	40%
Total expenses/turnover	86% - 94%	90% - 95%	88% - 94%
Average total expenses	90%	92%	91%
Activity Statement			
Non-capital purchases/total sales	66% - 79%	58% - 69%	55% - 67%

Tax Planning Tips

1. Are prepayments up to 12 months deductible? Yes or No (Small Business Entity "SBE")

	Individual -Non SBE	Individual – SBE	Non Individual -Non SBE	Non Individual - SBE
Employment Income	Yes	Yes	N/A	N/A
Rental Income	Yes	Yes	No	Yes
Business Income	N/A	Yes	No	Yes

(EXCLUSIONS: Wages, amounts up to \$1,000 and amounts required by Law)

2. Small Business Entity (SBE)

Main Advantages:

- Immediate claim for small items up to \$1,000 up to 12/05/2015 then \$20,000.
- Quicker Depreciation Claims.
- Prepay up to 12 months.
- Can cherry pick tax methods (Tax & GST).
- Possibly no need for stocktake at 30/06.
- Can deduct pool balance when it drops below \$20,000 (from 12/05/2015).

3. Depreciation rates "BUSINESSES"

	Non SBE	SBE
Items Up To \$100	Claim 100%	Claim 100%
Items up to \$1,000 until 12/05/2015 & \$20,000 after 12/05/2015	Pooled (low value) 18.75% in 1st year 37.5% subsequent years	Claim 100%
Items up to \$1,000 until 12/05/2015 & \$20,000 after 12/05/2015	Effective Life	<u>General pool</u> 15% 1st year 30% subsequent years

4. Small items up to \$300 outright deduction Yes or No ? (Not identical or part of a set)

	Individual - Not SBE	Individual - SBE	Non Individual - Not SBE	Non Individual - SBE
Employment Income	Yes	Yes	N/A	N/A
Rental Income (Per owner)	Yes (Per person)	Yes (Per person)	No (Up to \$100 Yes)	Yes
Business Income	N/A	Yes	No (Up to \$100 Yes)	Yes

Tax Planning Tips/Strategies – 2015

	DO YOU QUALIFY AS A “SBE” ?.....(Small Business Entity) (E.G. Aggregated Annual Turnover of the Taxpayer and related entities of less than \$2 Million). A SBE can pick & choose any of the various Tax Concessions.	SBE TAXPAYER	NON SBE TAXPAYER
1.	Deferring Recognition of Income (received but not earned) TR2014/1	Yes (Cash & Accrual)	Yes (Accrual)
2.	Options to accelerate deductions (incurred & service provided pre 30/06):		
	- Small Items up to \$100	YES	YES
	- Small Items of Plant up to \$1,000 to 12/05/2015, then \$20,000	YES	NO
	- Consumables	YES	YES
	- Client Gifts and Donations	YES	YES
	- Pay out accrued annual leave	YES	YES
	- Superannuation Contributions	YES	YES
	- Repairs & maintenance	YES	YES
	- Fringe Benefits	YES	YES
3.	Examples of items you can prepay (up to 12 months), but must be paid prior to 30/06:		
	- Leases & Interest	YES	NO ¹
	- Travel	YES	NO ¹
	- Training Courses	YES	NO ¹
	- Subscriptions	YES	NO ¹
	- Insurance	YES	NO ¹
	- Rates & Rent	YES	NO ¹
	- Cleaning	YES	NO ¹
	- Accounting	YES	NO ¹
4.	Ability to claim various expenses (incurred but not paid Pre 30/06), even if income is on a “cash basis”:		
	- Wages	YES	YES
	- Interest	YES	YES
	- Telephone	YES	YES
	- Rent	YES	YES
	- Workcover	YES	YES
	- Commissions	YES	YES
	- FBT	YES	YES
	- Bonuses	YES	YES
	- Directors Fees	YES	YES
	- Payroll & Land Tax	YES	YES
	- Superannuation (must be paid)	NO	NO
5.	Re-Assess Effective Life of Depreciable Assets	NO	YES
6.	Scrap Old/Obsolete Plant (claim balance of pool if less than \$20k from 12/05/15)	YES	NO
7.	Rollover depreciable assets to a company	YES	YES
8.	Re-Value Trading Stock (Different Methods)	YES	YES

¹ Unless under \$1,000, salaries or required by law (i.e. statutory obligations).

PHILIP J. EDDY & PARTNERS PTY. LTD.
PRE 30/06/2015 ACTION, REVIEW & TAX PLANNING CHECKLIST
PLEASE DISCUSS WITH US PRIOR TO ACTION

DONE

1. MAKE SURE THAT YOU HAVE PAID AWAY SUFFICIENT MONIES QUARTERLY TO COVER YOUR 9.5% SUPER GUARANTEE OBLIGATION FOR ALL EMPLOYEES AND SUB CONTRACTORS. IDEALLY PAY JUNE QUARTER BEFORE 30/06 SO YOU CAN CLAIM TAX DEDUCTION. []
2. ADJUST PAYROLL SYSTEM TO RECORD "REPORTABLE SUPER CONTRIBUTIONS" (EXCESS OVER 9.5% SG). []
3. BANK YOUR OWN SUPER PRIOR TO 30/06 AND OBTAIN NOTICE FROM FUND STATING THAT IT IS A COMPLYING FUND AND ACKNOWLEDGING YOUR TAX DEDUCTIBLE CONTRIBUTION (SEC 290-170 NOTICE IF REQUIRED). []
4. ENSURE DETAILS ARE SPECIFIED ON PAY SLIPS AND PAYG STATEMENTS AND INCLUDE REPORTABLE SUPER, REPORTABLE FRINGE BENEFITS, TRAVEL ALLOWANCES, OVERTIME MEAL ALLOWANCES ETC. []
5. MAKE SURE YOU HAVE CURRENT SIGNED TAX FILE NUMBER DECLARATIONS FOR STAFF. []
6. PHYSICALLY DESTROY ANY OBSOLETE STOCK OR PLANT AND EQUIPMENT TO BE SCRAPPED PRIOR TO 30/06. []
7. WRITE OFF ANY BAD DEBTS PRIOR TO 30/06. []
8. IF YOU ARE A SMALL BUSINESS (UP TO \$2 MILL T/OVER) & INTEND MAKING PREPAYMENTS, MAKE SURE THE SERVICE PERIOD TO WHICH THE PAYMENT RELATES DOES NOT EXCEED 12 MONTHS AND YOU MUST PHYSICALLY PAY THE MONEY PRIOR TO 30/06. []
9. "SBE" SMALL BUSINESSES CAN BUY SMALL ITEMS OF UP TO \$1,000 UP TO 12/05/2015 THEN \$20,000 AND CLAIM THIS YEAR. []
10. WHEN YOU PAY ANY OF YOUR PERSONAL BILLS FROM YOUR COMPANY OR TRUST BUSINESS ACCOUNTS, PLEASE MAKE SURE YOU WRITE "DEBIT LOAN ACCOUNT OF ..." ON THE CHEQUE BUTT (TO AVOID FRINGE BENEFITS TAX) AND SIGN ALL "OFFSET ARRANGEMENT FORMS" TO AVOID DIVISION 7A PROBLEMS. []
11. LODGE APPLICATION FOR "NON COMPULSORY CORPORATE WARDROBE OR UNIFORM" TO BE APPROVED BY THE TAXATION OFFICE AND TO HAVE IT REGISTERED ON THE APPROVED LIST OF OCCUPATIONAL CLOTHING TO ENSURE ITEMS ARE TAX DEDUCTIBLE. []
12. DON'T PAY GIFTS OR RETIREMENT ALLOWANCES IF YOUR BUSINESS IS IN A LOSS POSITION. []
13. RECORD CAR ODOMETER READINGS AS AT 30/06. (FOR NON-FBT VEHICLES) AND 31/3 (FOR FBT VEHICLES). []
14. IF YOUR ORDINARY INCOME THIS YEAR IS GOING TO BE LOW OR A LOSS, CONSIDER SELLING A POST CAPITAL GAINS TAX ASSET. IF INCOME IS GOING TO BE HIGH, DEFER SALE UNTIL AFTER 1/7. []
15. DIR. FEES, BONUSES, CAR RE-IMBURSEMENTS ETC. IF ACCRUED & MINUTED PRE 30/06 SHOULD BE PAID ASAP. []
16. PREPARE FOR STOCKTAKE ON 30/06, INCLUDE PACKAGING AND DISCUSS VALUATION METHODS WITH US. []
17. UNDERTAKE REPAIRS AND MAINTENANCE & ACCELERATE OTHER DEDUCTIONS PRE 30/06. []
18. CONSIDER PAYING FRANKED DIVIDENDS PRE 30/06. []
19. REVIEW VEHICLES OWNED BY COMPANY OR TRUST TO ENSURE FBT IS BEST OPTION, ESPECIALLY WITH NEW 20% RATE. []
20. NOTIFY YOUR SUPER FUND IF YOU ARE GOING TO CLAIM YOUR SELF EMPLOYED SUPER CONTRIBUTIONS (290-170 NOTICE). []
21. START A NEW LOG BOOK IF YOUR EXISTING ONE IS NEAR TO 5 YRS OLD (ALL VEHICLES CONCURRENTLY). []
22. IF YOU HAVE OR WILL PAY SALARIES TO FAMILY (ESPECIALLY CHILDREN AND SPOUSES WORKING PART TIME) YOU MUST:-
 1. RECORD TIMES WORKED IN WAGES BOOK
 2. USE COMMERCIAL RATE OF PAY
 3. ACTUALLY MAKE PAYMENT BY CHEQUE
 4. BANK CHEQUE INTO EMPLOYEES ACCOUNT
 5. OBTAIN COMPLETED EMPLOYMENT DECLARATION
- Note: If Personal Services Income (PSI) rules apply cannot pay to associate (refer to item 34 below). []
23. DO NOT INVOICE OUT JOBS UNLESS YOU HAVE COMPLETED ALL ASPECTS & CUSTOMER OK'S IT. []
24. IF BUYING NEW EQUIPMENT CONSIDER 1 YEAR LEASES (TALK TO US) IF "SBE". []
25. CONSIDER USING THE CAPITAL GAINS TAX ASSET ROLLOVER OR RETIREMENT EXEMPTION AFTER SALE OF BUSINESS (TALK TO US). []
26. MAKE SURE YOU DO NOT OWE YOUR COMPANY/TRUST MONEY. []
27. SALARY SACRIFICING CAN ONLY BE DONE WITH FUTURE INCOME, CONSIDER SALARY PACKAGING (TALK TO US). []
28. TAKE OUT PRIVATE HEALTH INSURANCE TO AVOID MEDICARE LEVY SURCHARGE. []
29. HOLD SHARES FOR AT LEAST 47 DAYS TO PROTECT IMPUTATION CREDITS AND AT LEAST 1 YEAR FOR 50% CGT DISCOUNT. []
30. CONSIDER USING C.G.T (CAPITAL GAINS TAX REGISTER) CERTIFIED BY US. []
31. HAVE YOU CONSIDERED SUPER FOR NON WORKING/LOW INCOME SPOUSE & OR CO-CONTRIBUTION. []
32. HAVE YOU CLAIMED FAMILY TAX ASSISTANCE FROM CENTRELINK? CHECK YOUR ENTITLEMENT. []
33. ARE YOU COMPLYING WITH ALL BAS & GST LAWS CORRECTLY? IF NOT, TALK TO US ASAP. []
34. DO YOU PERSONALLY PRODUCE MORE THAN 50% OF YOUR ENTITIES INCOME? IF YES, **YOU MUST** COMPLY WITH ALIENATION RULES. TALK TO US RE: QUALIFYING AS A PERSONAL SERVICE BUSINESS OR GENERAL BUSINESS. []
35. DO NOT BUY APPRECIATING ASSETS IN COMPANIES (GENERAL RULE). []
36. NON-COMMERCIAL LOSS RULES NOW APPLY IF YOU HAVE A "HOBBY" BUSINESS (TALK TO US). []
37. IF AGED UNDER 75 YEARS CONSIDER WORKING SO YOU CAN CONTRIBUTE TO SUPER (40 HOURS IN ANY 30 DAY PERIOD). []
38. MUST REMIT GST ON ANY EMPLOYEE CONTRIBUTION MADE TO REDUCE FRINGE BENEFITS TAX LIABILITY. []
39. GO THROUGH TIPS/STRATEGIES ON PAGE 3 OF THIS DOCUMENT. []
40. DO YOU LIVE & RUN YOUR BUSINESS FROM THE SAME ADDRESS? TALK TO US. []
41. IF YOU PAY PAYROLL TAX, CONSIDER REDUCING SALARY AND PAY DIVIDENDS/DISTRIBUTIONS (TALK TO US). []
42. ENSURE SUB CONTRACTORS HAVE THEIR OWN COMPANY/TRUST WHEREVER POSSIBLE. []
43. CONSIDER SALARY SACRIFICING RENTAL PROPERTY EXPENSES (INC PRIOR YEARS). []

PHILIP J. EDDY & PARTNERS PTY LTD

(INC. IN VICTORIA)(A.C.N. 006 769 544) CERTIFIED PRACTISING ACCOUNTANTS

BUSINESS INCOME TAX RETURN PREPARATION CHECKLIST "2015"

	YES	NO	N/A
1. DETAILED LIST OF STOCK ON HAND AT 30/06/2015 (EXC. GST).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. DETAILED LIST OF MONIES OWED TO YOU (DEBTORS) AS AT 30/06/2015.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. DETAILED LIST OF MONIES OWED BY YOU (CREDITORS) AS AT 30/06/2015.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. DETAILED LIST OF GOODS USED OUT OF TRADING STOCK (INC. GST) FOR PERSONAL USE.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. PRIVATE ACCOUNTS E.G. PETROL, OVERALLS, PHONE, STATIONERY ETC.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. DETAILED LIST OF ANY PREPAID EXPENSES (ITEM, AMOUNT, TIME PERIOD).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. TOTAL AMOUNT OF CASH FROM TRADING OR OTHER INCOME NOT BANKED INTO TRADING ACCOUNT.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. LIST OF BALANCES OF ALL LOANS, LEASES AND H/P CONTRACTS, AS AT 30/06/2015 (INCLUDING NEW PURCHASES) AND ACTUAL INTEREST CHARGED BY LENDER FOR YEAR.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. DETAILS OF ANY PROPERTY OR ASSETS (E.G. LAND, HOUSE) BOUGHT &/OR SOLD THIS YEAR (MAY ATTRACT 2½% W/OFF - OR CAP. GAINS TAX) INC. ANTIQUES, COINS ETC.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. DETAILS OF ANY LIFE INSURANCE OR SUPER POLICIES CASHED IN OR TAKEN OUT DURING YEAR.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. CHEQUE BUTTS (COMPLETE & CLASSIFIED CORRECTLY).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. DEPOSIT BOOKS.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. JOURNAL/CASH BOOK (MANUAL ACCOUNTING RECORDS).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. BANK RECONCILIATION/TRIAL BALANCE/TRANSACTION REPORT & GENERAL JOURNAL (COMPUTER ACCOUNTING RECORDS).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. BANK STATEMENTS.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. DETAILED LIST OF WORK IN PROGRESS AT 30/06/2015.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. DETAILED LIST OF ANY EQUIPMENT SOLD OR SCRAPPED DURING THE YEAR.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. DETAILED LIST OF NAMES AND DATES OF BIRTH OF CHILDREN (FAMILY TAX REBATE & TRUST DIST'NS).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. DETAILED LIST OF BANK INTEREST RECEIVED ON ALL ACCOUNTS (INCLUDING BRANCH, ACCOUNT NUMBER AND TAX DEDUCTED BY BANK) OBTAIN PRINT OUT FROM EACH BANK.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. DETAILED LIST OF EXISTING INSURANCE POLICIES INC. SUPER DEDUCTIBLE & NON DEDUCTIBLE.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. ESTIMATE OF PRIVATE USAGE OF, PHONE, LIGHT, POWER, RATES, INTEREST, COMPUTER ETC.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. HAVE ALL ALLOWANCES (E.G. TRAVEL OR ENTERTAINMENT, O/TIME MEALS) & SUPER (WHERE REQUIRED) DETAILS BEEN INCLUDED ON EMPLOYEES PAYG PAYMENT SUMMARY & PAY SLIPS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23. HAS TAX BEEN DEDUCTED FROM ALLOWANCES.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24. DO YOU HAVE OUT OF POCKET MEDICAL / DENTAL / HOSPITAL EXPENSES EXCEEDING \$2,162.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25. HAVE ANY STAFF RESIGNED OR DIED, IF SO, HAS A PAYERS STATEMENT BEEN COMPLETED CORRECTLY.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26. HAVE ALL UNSALEABLE ITEMS OF STOCK BEEN PHYSICALLY DESTROYED PRIOR TO 30/06/2015.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27. HAS ALL OLD PLANT BEEN SCRAPPED / PHYSICALLY DESTROYED PRIOR TO 30/06/2015.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28. HAVE ALL BAD DEBTS (OR PART THEREOF) BEEN WRITTEN OFF IN YOUR BOOKS PRIOR TO 30/06/2015.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29. IF YOU HAVE A COMPANY, TRUST OR PARTNERSHIP ARE ALL BANK ACCOUNTS, CONTRACTS, STATIONERY, TRADE CREDITORS, ETC. IN THE NAME THEREOF.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
30. HAVE YOU BOUGHT OR COMMENCED TO BUILD A NEW RESIDENTIAL OR NON-RESIDENTIAL INCOME PRODUCING BUILDING ? IF YES, PLEASE PROVIDE DETAILS.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
31. DO YOU HAVE PRIVATE HEALTH INSURANCE (PROVIDE US WITH DETAILS).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
32. HAVE YOU RECEIVED ANY FEES OR INCOME IN ADVANCE? IF YES, PLEASE PROVIDE INFO.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
33. HAVE ANY FINES, PENALTIES, ENTERTAINMENT OR CAR PARKING COSTS BEEN CLAIMED.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
34. HAVE YOU PROVIDED COPIES OF ALL PAYG & GST FORMS OR SUMMARIES TO US.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
35. HAVE YOU PAID SALARIES TO FAMILY MEMBERS? IF YES, PLEASE PROVIDE DETAILS.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
36. DID THE AUSTRALIAN TAXATION OFFICE PAY YOU INTEREST ON OVERDUE MONEY.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
37. DETAILS OF ALL SHARE TRANSACTIONS (PURCHASES, SALES, DIVIDENDS, REINVESTMENTS ETC. (INCL. TAX DEDUCTED)) COPIES OF CHESS & DIVIDEND STATEMENTS.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
38. DO YOU MAKE PAYMENTS TO SUB CONTRACTORS? IF YES, DO YOU HAVE A VALID TAX INVOICE WITH THEIR ABN ON IT? IF NO, WITHHOLD 49%.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

39. HAVE YOU PAID SUPER AND WORKCOVER ON SUBBIES WITHOUT AN ABN? IF SO, MUST PAY QUARTERLY.
40. SPEEDO ODOMETER READINGS TAKEN ON 30/06 FOR ALL VEHICLES (31/03 FOR FBT VEHICLES).
41. DETAILED LIST OF ALL MOTOR VEHICLES USED IN THE BUSINESS.
42. LOG BOOK FOR ALL M/VEHICLES USED IN THE BUSINESS (IF APPLICABLE) EVERY 5 YEARS.
- EXCEPT UTILITIES, TRUCKS AND PANEL VANS USED EXCLUSIVELY FOR BUSINESS.**
43. DETAILED LIST OF EXPENSES ASSOCIATED WITH ANY TRIPS UNDERTAKEN (MEALS, ACCOMMODATION AND INCIDENTALS), SUPPORTED BY SATISFACTORY DOCUMENTATION/EVIDENCE.
44. HAVE YOU CLEARLY IDENTIFIED WHERE VARIOUS DEPOSITS INTO ALL YOUR BANK A/C'S HAVE COME FROM (THIS IS CRITICAL IN THE EVENT OF AN AUDIT).
45. DO YOU MAKE PAYMENTS TO OR ON BEHALF OF ANY OF YOUR STAFF WHICH WERE NOT INCLUDED IN THE GROSS PAY FIGURE ON THEIR PAYG STATEMENT? IF YES, TELL US.
46. DID YOU RECEIVE ANY OVERSEAS INCOME? IF YES, PLEASE PROVIDE DETAILS.
47. DID YOU PAY INTEREST ON MONIES BORROWED TO PAY TAX OR SUPER (ESPECIALLY INDIVIDUALS &/OR PARTNERS).
48. SUPERANNUATION GUARANTEE (9.5%) & "CHOICE" OBLIGATIONS MET PRE 30/06 & REPORTABLE AMOUNT SHOWN ON PAYG PAYMENT SUMMARY.
49. PAYROLL TAX OBLIGATIONS MET (INCLUDING FRINGE BENEFITS & SUPER FROM \$550,000+).
50. GST OBLIGATIONS MET & DONE CORRECTLY.
51. EMPLOYMENT AGREEMENTS IN PLACE (COMPLY WITH FAIR WORK AUSTRALIA).
52. DID YOU INCUR ANY RESEARCH & DEVELOPMENT COSTS (COMPANIES ONLY).
53. DID ANY OF YOUR EMPLOYEES BECOME YOUR SUBBIES? IF SO, PROVIDE DETAILS.
54. ARE YOU USING OUR MONTHLY DIRECT COSTING REPORT & WORKING CAPITAL MONITORED.
55. WOULD YOU LIKE A COPY OF OUR TOTAL QUALITY CLIENT SERVICE DOCUMENT.
56. NON COMPULSORY CORPORATE WARDROBE OR UNIFORMS REGISTERED WITH GOVERNMENT.
57. ALL BUSINESS RECORDS KEPT FOR 5 YEARS + CURRENT YEAR (CGT ITEMS FROM DATE OF SALE).
58. DIRECTORS FEES, BONUSES PAID OUT PRE/POST 30/06 & TAX DEDUCTED (IF ACCRUED & MINUTED IN JUNE).
59. TALK TO YOUR ACCOUNTANT ABOUT PACKAGING & CARS UNDER F.B.T. (IN OR OUT).
60. NOTICE FROM YOUR SUPER FUND THAT CONTRIBUTIONS ARE DEDUCTIBLE (SELF EMPLOYED) SEC 290-170.
61. SOLD YOUR BUSINESS? DO YOU WANT TO USE THE "ROLLOVER" OR "RETIREMENT" EXEMPTION.
62. HAVE YOU IDENTIFIED ALL PRIVATE PAYMENTS ON CHEQUE BUTTS "DEBIT LOAN ACCOUNT" AND SIGNED ALL PAPERWORK RE: "GENUINE OFFSET- ARRANGEMENT" TO AVOID F.B.T.
63. IF CAR/S OWNED JOINTLY, HAVE YOU COMPLETED A " DECLARATION OF JOINT OWNERSHIP " &/OR LEGAL OWNERSHIP DECLARATION? IF NOT, MUST BE REGISTERED IN YOUR NAME.
64. ANTI AVOIDANCE LAWS RE: ALIENATION OF PERSONAL SERVICES INCOME & NON-COMMERCIAL ACTIVITIES EXPLAINED TO YOU? IF NOT PLEASE SPECIFICALLY ASK US (REFER TO PRE - 30/06 CHECKLIST).
65. HAVE YOU GOT AN ABN & REGISTERED FOR GST, ETC.
66. DO YOU UNDERSTAND WHY APPRECIATING ASSETS SHOULD NOT BE BOUGHT IN A TRADING COMPANY? IF NOT, PLEASE SPECIFICALLY ASK US.
67. PLEASE INCLUDE COPIES OF ALL BAS'S / IAS'S YOU HAVE PREPARED.
68. DO YOU WISH TO SPLIT YOUR SUPER WITH YOUR SPOUSE? IF YES, PLEASE NOTIFY US IN WRITING.
69. WILL YOU COMPLY WITH SUPERSTREAM REQUIREMENTS BY 30/06/2015 OR 30/06/2016 (AS APPLICABLE).
70. HAVE YOU CONTRIBUTED PERSONAL (NON-CONCESSIONAL) CONTRIBUTIONS INTO SUPER TO ATTRACT THE CO-CONTRIBUTION.
71. IF YOU ARE A COMPANY, DID SHAREHOLDERS USE ITS ASSETS FOR PRIVATE PURPOSES.
72. SUBCONTRACTORS:.HAVE OWN COMPANY WHEREVER POSSIBLE.

Client Declaration: WE DECLARE THE ABOVE TO BE TRUE AND CORRECT AND CONFIRM IF WE PREPARED OUR OWN BAS/IAS (INCLUDING GST) WE ACCEPT FULL RESPONSIBILITY THEREFORE.

CLIENT SIGNATURE...../...../.....

"ONGOING HOUSEKEEPING REQUIREMENTS (2015)" (NOT AN EXHAUSTIVE LIST)

DONE

1. PAY EMPLOYEE SUPERANNUATION BY THE DUE DATE & OFFER "CHOICE" IF ELIGIBLE (9.50% 1/07/2014 →). []
2. PAY "PAY AS YOU GO TAX" BY THE 21ST DAY OF EACH MONTH/QUARTER. []
3. RECORD REPORTABLE FRINGE BENEFITS & REPORTABLE SUPER CONTRIBUTIONS ON PAYG STATEMENTS. []
4. PREPARE PAYG STATEMENTS AND SEND TO EMPLOYEES BEFORE 14TH JULY. []
5. MAINTAIN DETAILED TIME AND WAGES RECORDS ESPECIALLY FOR FAMILY AND PAY BY CHEQUE. []
6. ADJUST PAYROLL SYSTEM TO RECORD "REPORTABLE SUPER CONTRIBUTIONS" (EXCESS OVER SG AMOUNT). []
7. EXECUTE EMPLOYMENT AGREEMENTS WHERE APPLICABLE (REFER TO OUR WEBSITE). []
8. STAFF TO HAVE COMPLETED EMPLOYMENT DECLARATIONS (INC. FAMILY). []
9. PAY SUPER AND WORKCOVER ON SUB CONTRACTORS & DEEMED EMPLOYEES. []
10. LEVY GST AT 10% AND PAY TO A.T.O. ON TIME. []
11. MAKE SURE YOUR WORKCOVER PREMIUMS ARE PAID ON TIME & INCLUDE SUPER IN REMUNERATION. []
12. ALWAYS PREPARE DETAILED STOCKLISTS, DEBTORS & CREDITORS LISTS ON 30TH JUNE. []
13. KEEP IN A SAFE PLACE ALL BUSINESS RECORDS INCLUDING CASH REGISTER TAPES, INVOICES. BANK STATEMENTS, CHEQUE BUTTS ETC. COMPUTER BACKUPS. []
14. MAKE SURE ALL INSURANCE POLICIES ARE PAID UP AND OFFER ADEQUATE COVER (INCLUDING DEATH, DISABILITY, INJURY, ILLNESS AND TRAUMA) ASK US FOR HELP. []
15. STAFF APPOINTMENTS CHECKLIST IS AVAILABLE FROM US AS A GUIDE. []
16. RETAIN PROOF OF COSTS WHEN BUYING ASSETS THAT ARE SUBJECT TO CAPITAL GAINS TAX FOR 5 YEARS AFTER DATE OF SALE (OR COMPLETE REGISTER). []
17. IF TOTAL PAYROLL EXCEEDS \$550,000, PAYROLL TAX TO BE PAID TO VICTORIAN STATE GOVERNMENT INC. SUPER CONTRIBUTIONS & REPORTABLE FRINGE BENEFITS. []
18. PAY FRINGE BENEFITS TAX QUARTERLY (IF APPLICABLE). []
19. MAINTAIN A WORKCOVER INJURY REGISTER. []
20. ALL BUSINESS RECORDS IN CORRECT NAME. []
21. CURRENT WILLS AND POWER OF ATTORNEYS IN PLACE (IF NOT TALK TO PHIL). []
22. MAKE SURE YOU ARE RECEIVING ALL OF YOUR LEGAL ENTITLEMENTS FROM CENTRELINK (FAMILY TAX PAYMENTS, AUSTUDY ETC.) ASK US. []
23. WEEKLY/MONTHLY DIRECT COSTING REPORT AND BENCH MARKING BEING USED (ASK YOUR ACCOUNTANT). []
24. TOTAL FINANCIAL AND TAX REVIEW DONE RECENTLY BY YOUR ACCOUNTANT. []
25. ARE YOU DOMESTICALLY DEBT FREE (CONSIDER RESTRUCTURE) TALK TO US. []
26. DO YOU HAVE A PERSONAL BUDGET, IF NOT TALK TO US. []
27. HAVE YOU DONE CONCURRENT LOG BOOKS FOR ALL PASSENGER CARS (EACH 5 YEARS) IF NO, DO SO ! []
28. BACK UP COMPUTER DATA REGULARLY (DAILY). []
29. TRAVEL DIARY FOR OVERSEAS TRAVEL EXCEEDING 5 CONSECUTIVE DAYS. []
30. CASH TAKINGS RECONCILED TO CASH BOOK/JOURNAL AND BANK STATEMENTS. []
31. INVOICES AND/OR RECEIPTS TO SUPPORT ALL PAYMENTS MADE BY YOU. []
32. NOTIFY ACCOUNTANT OF ANY NON CASH FRINGE BENEFITS. []
33. CHECK FOR ANY DEEMED EMPLOYEES (INC. SUBBIES). []
34. MAKE SURE DIRECTORS & SHAREHOLDERS LOAN ACCOUNTS DO NOT GO INTO DEBIT. []
35. RECORD ODOMETER READINGS AT 30/06 EACH YEAR & 31/03 FOR FBT. []
36. NOTIFY YOUR SUPER FUND IF YOU ARE CLAIMING YOUR SUPER CONTRIBUTIONS (SEC 290-170 NOTICE). []
37. PAY SUPER INTO YOUR OWN FUND PRE 30/06 EACH YEAR AND ENSURE CHEQUES CLEARED BY 30/06. []
38. DO NOT SPLIT PERSONAL EXERTION INCOME WITH SPOUSE AND FAMILY. []
39. UNDERTAKE REGULAR BUSINESS IMPROVEMENT STRATEGIES AND REVIEWS WITH PHIL. []
40. KEEP AN ONGOING RECORD OF ALL GOODS TAKEN FOR PERSONAL USE (INC. GST). []
41. SPECIFY GST ON ALL CHEQUE BUTTS & ACCOUNTING RECORDS. []
42. IF **YOU** PRODUCE MORE THAN 50% OF YOUR ENTITIES INCOME PERSONALLY, TALK TO US ABOUT QUALIFYING AS A PERSONAL SERVICES BUSINESS OR GENERAL BUSINESS. []
43. IF YOU HAVE A LOSS MAKING BUSINESS, TALK TO US ASAP RE:- NON-COMMERCIAL LOSSES RULES. []
44. CONSIDER SUPER SPLITTING WITH SPOUSE. []
45. COMPLY WITH SUPERSTREAM BY DUE DATE 30/06/2015 OR 30/06/2016. []
46. PAY COMMERCIAL AMOUNT FOR PRIVATE USE OF COMPANY ASSETS. []
47. CHECK ALL VEHICLES IN COMPANIES OR TRUST & MAKE SURE FBT SYSTEM BEST (10/5/2012 CHANGES). []
48. STRIVE TO ENSURE THAT ALL SUBCONTRACTORS HAVE THEIR OWN COMPANY WHEREVER POSSIBLE. []
49. CONSIDER SALARY SACRIFICING RENTAL PROPERTY EXPENSES (INC PRIOR YEARS). []
50. REVIEW SUPER CONTRIBUTIONS & MAKE SURE YOU DONT EXCEED CAP/LIMIT. []

BUSINESS SURVIVAL & IMPROVEMENT STRATEGIES

The Global Financial Crisis has had an impact upon us all in some way or another.

For those in business it is critical to devote as much time as needed to minimise the impact of the Economic Downturn. It is more important than ever to complete the "Pre 30th June Checklist" and the "Tax Planning Tips and Strategies," this will result in the minimum legal amount you have to pay in Income, Capital Gains and Fringe Benefits Tax.

Some other basic strategies to consider include:-

- Physically visit your top customers and/or take them for a coffee and seek feedback and referrals.
- Invoice as quickly as possible.
- Monitor and follow up debtors weekly.
- Turnover slow moving stock (e.g. buy 1, get 1 free).
- Monitor staffing levels and productivity/recovery rates.
- Run promotional campaigns (e.g. buy 2, get 1 free).
- Try to buy at lower prices to increase your margin.
- Maintain stock levels especially high volume lines.
- Try to renegotiate rent on premises.
- Focus marketing to your market group/sector (e.g. send out Gift Vouchers).
- Build a Customer/Client data base.
- Do not over-react and slash prices and margins, especially on strong selling lines/products.
- Monitor individual staff members Average Unit Sale (AUS), this will give an indication of who is optimising your customers/clients.
- Clear out slow moving excess stock lines.
- Talk to your customers and staff on ways to improve your business (e.g. new products/lines).
- Consider cross marketing with other businesses.
- Observe competitors and their strategies.
- Monitor all costs closely and reduce (where possible) including suppliers.
- Monitor staff incentive programs.
- Consider internet sales and purchasing.
- Consider re-financing loans (e.g. interest only).
- Consider diversifying into other products/areas.
- Monitor staff attitudes and how they treat customers/clients.
- Try to maintain a positive attitude and culture.
- Review presentation of your business premises and goods.
- Consider promotional events/evenings.
- Reduce all taxes and duties where possible.
- Do not trade whilst insolvent or you risk exposing your private assets.
- Review your structure to ensure it offers maximum protection of your assets.
- Pay all Australian Taxation Office obligations on time to avoid Director penalty regime.

Superstream Compliance Guide/Steps

1. Determine your compliance start date.
2. Select an eligible service provider and register with same. If you have less than 19 employees, we recommend the small business superannuation clearing house as a service provider, the internet link is as follows:
<https://www.ato.gov.au/Business/Super-for-employers/In-detail/Small-Business-Superannuation-Clearing-House/Using-the-small-business-superannuation-clearing-house/>
3. Set up your SuperStream software.
4. Process and make payment monthly/quarterly in accordance with your superannuation obligations.

NOTE: MYOB and Quickbooks are both SuperStream compliant and you are able to process your super liabilities through these programs.