

NEWSLETTER

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**ATO Tightening Up
What you need to know about debt**

Australian Government
Australian Taxation Office

The Australian Taxation Office (ATO) has significantly increased debt collection activity in recent months. It is important to remember what is entailed when agreeing to a payment arrangement with the ATO.

If you are about to negotiate a payment arrangement with the ATO in respect to outstanding tax debts, you must satisfy yourself that the company is solvent. Otherwise, in the event that the company does not meet its obligations and is eventually wound up, the director is exposed to the possibility of being liable to compensate the company for insolvent trading.

Stay Smart Online

Keeping your business information safe is crucial to protecting your business. With an ever-increasing amount of information being stored online it's important you take precautions.

By stealing information thieves can use your business identity to create fake businesses, lodge fraudulent GST claims, take out loans, and commit other types of fraud in your name.

To help you protect your information, Stay Smart Online has published the Small business guide. Here are their top five tips.

1. Use strong passwords

Good passwords have 10 or more characters, and include a mix of numbers, letters, special characters, and upper and lower cases. Change them regularly, and don't use the same password twice.

2. Make regular backups

Regularly backing up your data to a USB or portable hard drive can help you quickly recover from a cyber-attack, hard disk failure or another disastrous event.

3. Stay aware

The more you know about online security the more you can apply that knowledge in your business. Subscribe to the free Stay Smart Online alert service for news about online threats.

4. Keep information confidential

Use programs that let you separate administrator and user logins. By limiting access, you reduce the risk of an employee accidentally or maliciously releasing confidential information.

5. Maintain network and device security

Install anti-virus software and set your systems to automatically update it regularly on your computer, mobile devices, and smartphones. These steps will help you protect not only your information, but also that of your customers and suppliers.

Technology Efficiencies

Using technology, specifically mobile devices, will help your business become more efficient and therefore help you save time and



money. You can now even manage how and when you get paid from your smartphone! For instance, MYOB OnTheGo lets you create, edit and send invoices wherever you have mobile reception or Wi-Fi access. There will be other apps available to suit your business needs. Make sure whatever you use has a secure log in. It makes sense to use an app that is compatible to what you are using in the office. For example, if you use MYOB, it is easy to connect accounts so they are automatically updated across all your software devices.

Claiming Work-Related Expenses

This year, the ATO is focussing on unusually high work-related expense claims across all industries and occupations.

They are also paying attention to claims which have already been reimbursed by employers and for private expenses (such as travel to and from work).

Christmas Parties & FBT

With the Christmas season just around the corner, it seems pertinent to cover the FBT implications for Christmas Parties and Gifts.



In summary:

No FBT is payable if the cost per head is less than \$300 for employees for attending a Christmas Party off site.

Gifts like hampers, wines, gift vouchers, flowers, etc. provided to employee less than \$300 will not attract any FBT. These are not classified as entertainment.

Gifts like tickets to the movies or shows and holidays, etc. are classified as entertainment and will attract FBT. A limited exemption may be available under the minor/infrequent rule.

Super for Employees What is clearing house?

The Small Business Superannuation Clearing House is a free, optional service for employers with 19 or fewer employees, as well as those businesses with an annual aggregated turnover of less than \$2 million.

You can make your super guarantee (SG) contributions as a single electronic payment to the clearing house, which then distributes the payments to employees' funds.

The clearing house is designed to reduce red tape and compliance costs for small business.

If you register to use this service:

- Your super guarantee contributions are counted as being paid on the date the clearing house accepts them (so long as the fund does not reject the payments).
- You have 21 days to pass an employee's choice of fund on to the clearing house.



The ATO administer the service.

The Five Deadly Sins of Leadership

In a recent Sydney Morning Herald article, Claire Dunn explained that good leadership is as much about what not to do, as it is what to do.

Here are five to watch out for:

1. Micromanaging – Controlling process and outcomes is actually counterproductive. If you provide your staff with choices and empower them with decision making, the environment and productivity is much more positive.
2. Poor hiring – Hire to cover your gaps or weaknesses.
3. Not trusting your own decisions – Do not doubt yourself because it will weaken your business and others will see you are not confident and lose trust in you. Follow your 'gut instinct'.
4. Failure to be open to change – Successful leaders need to be progressive.
5. Limiting judgements – Making quick and limiting judgements might drive away business.

Information contained herein is of a general nature only. Anyone seeking to apply the information should seek professional advice to verify it applies to their situation.

Sources used for this article are the ATO website, Sydney Morning Herald (25/8/15) & SmithHancock.

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