



NEWSLETTER – JUNE 2020



IMPORTANT UPCOMING DATES

June 2020

- 7th June —End of Fortnight 5 for Jobkeeper purposes
- 14th June —Lodgement of Monthly Declaration for Jobkeeper
- 21st June —End of Fortnight 6 for Jobkeeper purposes
- 21st June —Lodgement of Monthly Activity Statements for May 2020
- 30th June —End of Financial Year 2019/20

July 2020

- 5th July —End of Fortnight 7 for Jobkeeper purposes
- 7th July —Lodgement of Monthly Declaration for Jobkeeper
- 14th July —Finalisation of Single Touch Payroll for 2019/20 due (20 or more employees)
- 19th July —End of Fortnight 8 for Jobkeeper purposes
- 21st July —Lodgement of Monthly Activity Statements for June 2020
- 28th July —Payment of Quarter 4, 2020 Super Guarantee required
- 28th July —Lodgement of Quarter 4, 2020 Activity Statements
- 31st July —Finalisation of Single Touch Payroll for 2019/20 due (19 or less employees)

August 2020

- 2nd August —End of Fortnight 9 for Jobkeeper purposes
- 14th August—Lodgement of Taxable Payment Annual Report
- 16th August —End of Fortnight 10 for Jobkeeper purposes
- 21st August —Lodgement of Monthly Activity Statements for July 2020
- 30th August —End of Fortnight 11 for Jobkeeper purposes

Do we have your up to date contact details?

Please ensure we have your most recent details especially email address and mobile phone number.

As many of our clients will know from the past few years, we have been implementing an online portal for you to be able to securely access your documents.

This also allows us to provide you with documents and for you to execute those documents electronically. This saves time and also the need for paper copies of large documents.

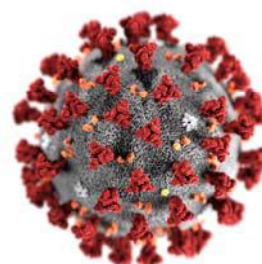
If you haven't used our online portal yet, please discuss with our team and we can get you up and running.

Covid-19

It goes without saying that the last few months have tested everyone's patience and resilience. We have had to adapt, as have all organisations to the different world we now live in.

It has been a challenge but it has also been rewarding to continue to provide assistance to our valued clients in different ways.

We really appreciate the positive way that our clients and team have responded to the uncertainty and contributed to our successful navigation of this difficult period.



TEAM MEMBER PROFILE



MEEGAN DUNNE— DIRECTOR

Meegan is one of the directors of M & B Accountants, which officially purchased the firm of SFG Spencers in April, 2016.

Prior to buying her own business, she worked as the Office Manager and Senior Accountant with SFG Spencers for over 20 years. She has built many long term business relationships with her clients over many years, and is extremely passionate about maintaining quality relationships with her clients.

Meegan offers a personalized service, which is individualized to each and every one of her clients. She understands that clients are all unique and each client needs to be looked after based on their own individual needs. Meegan considers all clients as her friends, and is here to help them whenever she can.

Meegan's passion is helping her clients improve their cash flow, increase their profitability and enhance their lifestyle, and thrives on working with her clients to achieve their goals.

Meegan's qualifications include:

- Bachelor of Commerce (with Distinction) – University of Ballarat
- CPA Public Practice – CPA Australia
- Tax Agents License – Tax Agents Board

Meegan has lived in the Ballarat region for most of her life. She enjoys travelling and has been lucky enough to visit several countries over recent years. If she can find a quiet moment she loves reading a good book and enjoying a wine (or few) with friends.

TEAM NEWS

It is a busy time around the office for birthdays in the coming weeks:

June Kris & Meegan
July Sam

INSTANT ASSET WRITE-OFF—URGENT

The instant asset write off for small business has been available for many years. For assets purchased less than the instant asset write off limit, an immediate tax deduction is available.

For the 2019/20 year there are 2 separate limits. The limit that applies will depend on the time the asset is installed ready for use.

	Instant Asset Write Off Limit
1 st July 2019 to 11 th March 2020	\$30,000
12 th March 2020 to 30 th June 2020	\$150,000
Post 30 th June 2020	\$1,000

Barring any changes to legislation, the write off limit will revert back to \$1,000 from 1st July 2020.

If you are considering taking up this opportunity it will be necessary to have the asset installed and ready for use prior to the end of the 2019/20 financial year.

If the asset in question is a motor vehicle, please contact our office to discuss further as a separate limit applies for cars.

TAX PLANNING

As we approach the end of financial year it is timely to review your year to date figures and make some necessary year-end adjustments not only to maximise your 2019/20 performance but looking ahead to improvements in profitability and Cash-flow.

While all businesses are different and it is important to talk to the team at M & B Accountants to determine the best course of action in your specific circumstances some things to consider may be:

- Bringing forward any deductible expenditure into June to bring forward the tax effect of this
- For Primary Producers – Farm Management Deposits
- Could you benefit from a tax deductible contribution into superannuation?
- Does the Instant Asset Write off apply to your business?
- Am I in the right business/investment structure?
- What are the taxation impacts of various Government incentives received due to the Covid-19 Pandemic?

COMPUTER TRAINING OFFER

Access to important timely information is extremely helpful in managing your business and assists in being agile in your market. There are several high quality cloud based accounting software packages that can form part of your business improvement strategy.

M & B Accountants can assist you in getting the most from your package. This can include saving copies of documents within your software as an easy way to manage your substantiation requirements.

Some advantages include:

- Saving of paper copies etc inside programs such as MYOB/Xero
- Reduces paper/environmentally friendly
- Saves time manually filing which we all hate
- Easy access to information within the program
- We can come and train you or train on line

HOME OFFICE DEDUCTIONS COVID-19

With many more people now working from home, this tax time will be different for many people.

With that in mind the ATO have provided a simplified way to claim for home office expenses.

1st July 2019 – 29th February 2020

A taxpayer can claim 52 cents per hour to cover heating, lighting and depreciation of office furniture

In addition to this, a taxpayer can claim the work related % of
Phone
Internet
Depreciation on Computer Hardware

1st March 2020 – 30th June 2020

A taxpayer can continue to use the "52 cents" method as outlined above however there is an alternative simplified claim also available

A taxpayer can claim 80 cents per hour to cover heating, lighting and depreciation of office furniture as well as internet and phone.

If you use this method you cannot claim any other deductions for home office.

Talk to us to determine the best option for you.

It is necessary, as always to substantiate your claims with receipts and diary entries.

TAXABLE PAYMENTS ANNUAL REPORT (TPAR)

Each year, certain industries are required to provide the ATO with a report detailing payments made to contractors during the financial year. This assists the ATO in matching data from payers and payees and improving the integrity of the tax system and improving the chances of a level playing field.

This year's report is due for lodgement by the Friday 14th August 2020

Industries required to provide an annual report:

- Building & Construction
- Cleaning Services
- Courier Services
- Road Freight Services (First Report 2019/20)
- Information Technology (First Report 2019/20)
- Security, Investigation or Surveillance Services (First Report 2019/20)



SINGLE TOUCH PAYROLL

For many employers 2019/20 will be the first year using Single Touch Payroll.

As part of this process, each employer must finalise the year's transactions by 14th July.

This process replaces the need to prepare PAYG Payment Summaries.

It may be wise to review your STP reporting during the month of June so that you are comfortable with the accuracy of the data prior to completing the finalisation in July. Your employees require timely and accurate lodgement given that this report will be used to prepare their personal income tax returns.

Contact our office for assistance.

IMPORTANCE OF HAVING A BUDGET

Budgeting is the process of creating a plan as to how you spend your money. Creating a budget allows you to determine in advance whether you will have enough money to do the things you need to do or would like to do.

A business budget enables the business owner to concentrate on cash flow, reducing costs, improving profits and increasing returns on investment. Budgeting is the basis for all business success. It helps with both planning and control of the finances of the business.

Budgeting is simply balancing your expenses with your income. If they don't balance and you spend more than you make, you will have a problem. Many people don't realize that they spend more than they earn and slowly sink deeper into debt every year.



Why is Budgeting so Important?

Since budgeting allows you to create a spending plan for your money, **it ensures that you will always have enough money for the things you need** and the things that are important to you. Following a budget or spending plan will also keep you out of debt or help you work your way out of debt if you are currently in debt.

Not only is it important to have a budget, more importantly you need to review your budget v your actual income and expenses on a regular basis.

Many of our clients engage us to assist in preparing a budget every year, and we meet up with them on a regular basis i.e. monthly, bi-monthly quarterly to discuss how they are tracking.

This enables us to identify issues early, and also enables business owners to make changes to their operations early before things may cascade out of control.

Planning for the year ahead is always an important process to undertake and arguably even more important as we navigate our way through the current economic conditions brought on by the Covid-19 outbreak.

The team at M & B Accountants can assist you in preparing your upcoming budgets and cashflow projections to help plan for the year ahead.



ATO AUDIT HOTSPOTS

We understand the Australian Taxation Office will maintain their focus and increased compliance activity around work related expenses and rental properties.

Specific areas the ATO will again focus on include:

- Work related uniform & Laundry claims
- Deductions for home office
- Substantiation of deductions

In relation to rental properties

- Over claimed interest deductions
- Capital works claimed as repairs
- Inappropriate apportionment of expenses on Holiday Homes
- Omitted income from accommodation sharing (eg AirBnB)

It is vitally important that the correct substantiation documents are kept and produced when required in the event of an ATO review or audit.

Even if the expenses is deductible, this deduction can be disallowed if it cannot be substantiated. Unfortunately, the onus of proof rests with the taxpayer.

This year, there will also be an ATO focus on the different measures implemented during the Covid-19 outbreak such as Cash Boost and Jobkeeper to ensure taxpayers have not gained access to these measures or increased their entitlement in contravention of the law.

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