



Motor Vehicle Finance

Quite often it's not till after the ink has set and it's all finalised do we find out about a new motor vehicle and the corresponding finance. Please, see your Accountant **before** arranging all this. E.g.: if you enter into a Commercial HP where the vehicle is owned by the bank and not you, and you report on a cash basis, then you CANNOT claim the GST on the vehicle up front. If you're buying a \$45K vehicle, we're talking about getting \$4,000 worth of GST credits on your next BAS as opposed to having to claim say \$67 a month over 60 months (or the term of your finance). There may be other implications too, so have a quick word with your Accountant before the fact. I strongly recommend you don't rely on the accounting advice of a bank employee; they just may not be qualified to give you accurate advice for your specific financial situation— as a client discovered the hard way a short time ago.

Reminder re Changed Tax Codes

As previously mentioned, after further WRITTEN liaison with the ATO, a few tax codes have changed (mostly from N-T to FRE), so please make a note of these:

- Bank Fees incl. Govt Debits Tax or BAD taxis FRE(not N-T)
- Interest Income is FRE (not N-T) *
- Interest Expense is FRE(not N-T)
- Residential Rental expenses are FRE (not N-T)
- Govt Fees (stamp duty, rates, water etc) are FRE (not N-T).

Re interest income * I am actually getting clients where possible to create a new tax code and code this BI (bank interest) because it's to be reported at G1, but not G3 (but instead G4). Which means, if we code it FRE then it will get caught up with any other FRE income and also put to G3, which I have been advised by the ATO(in writing) is incorrect. Please contact me if you require assistance or further verification, or would like a copy of the written Decision.

Super Reports

As we have mentioned before, as of December 2004, it is no longer compulsory for employers to remit super reports to their employees. If you would like us to continue to provide your employees with super reports, give us a call here in the office, or email us, and let us know.

Tip – MYOB has a Calculator

Did you know that in MYOB, when you are entering a purchase or a sale, and you are adding up invoices manually, instead of pulling out the calculator, you can simply hit the "+"key in the amount column, and this will bring up the computer calculator! Also, by hitting the "+" and "-" buttons in the date tab, you can move the date up and down to save having to key in the date each time!

House Keeping

For those of you who read these and have been getting them for a while some of this is repetitive, but none-the-less important. At least weekly, you should be Verifying your file. If you're not being prompted upon entry to your file, this is found at File (top menu bar), Verify. Just follow the prompts. Another housekeeping task is Optimising. This is now heaps easier than it used to be and I would recommend you do this at least monthly. This also is via File, Optimise. Follow the prompts. And of course you should be backing up regularly (daily if there is heaps of data entry, or perhaps only weekly or fortnightly if you aren't doing much). Also, make sure you're not just backing up to your computer's hard drive. If the computer crashes or is stolen you may lose those backups forever. I strongly recommend it's to a zip or CD and taken off site (maybe take it home). And of course, test once in a while that you can restore – no point being hugely diligent with backups only to discover after an emergency that your drive was faulty.



FBT Year End

The FBT year ends 31st March (this week) so don't forget that anyone operating a motor vehicle through a company needs to make a note of their vehicle mileage as at 31st March. Your accountant will need this figure in case any FBT returns need to be prepared. Just note it in your diary in preparation for the question in a few months.

Before Year End Prep

Yes, I know it seems like we've just finished with Christmas. Before we even get to year end, it's a good idea to look at your financial situation. So around April or May you may wish to see your accountant and get interim figures prepared or at least have him/her review your financial position. Doing this in October, after year end, is too late if you need to take some tax-saving measures. It's too late to put money into Super or anything else. Also around this time, those with Companies should review their Director's loan accounts. The ATO doesn't like Directors owing their companies money and can get pretty tough on this; so this is another area to be visited WAY before year end.

Bank Reconciliations

It's always a good idea to print your bank recs as you are going, but if you don't, absolutely make sure that when you are reccing to 30 June (or around that date) that you definitely DO print the bank recs. Accountants are always asking for them month's later when preparing your year end returns and it's often difficult to find. In fact, at year end, I often print 2 copies. One goes with the bank statements and the other in an envelope with all the year end stuff for Accountants, such as Payment Summaries, Health Insurance Certificates etc.

Financial Year End

As we did last year, we will again request that clients email their files to us to run off the Payment Summaries (Group Certs). Kate is assisting me with this exercise this year. We will balance the ledgers, check data is correct, run the Certs and then contact you and walk you thru rolling the payroll year. Now the timing on this is crucial. We cannot do this until the last pay of the financial year is done BUT need to do it before the next pay of the new financial year. A very small window of opportunity. So, please email me your files very promptly, **as soon as the last pay of the fiscal year is done** so we can get this turnaround occurring in a timely manner. Anyone who prefers we visit on site to perform this, please contact me ASAP to make a booking, certainly by 30 April. **Do not roll your payroll until the Group Certs are done.** Once rolled, payroll is purged and Group Certs will not be able to be run. My process is different from the MYOB book as over 10 years on the job (in the field) has taught me a better way to do this.

The other area is rolling the financial year. **Do not roll to the next financial year, until I advise you.** Once you roll, all data is purged. We need to enter in year end journals, duplicate the file and then role. The year end journals cannot be done until your accountant has prepared your Financials and tax return, which is often up to a year later. You can operate in MYOB for up to 3 years before it has to be rolled, so come 1.7.05 its business as usual and don't worry about rolling. However once you do get those Financials from the accountant, please let me know and we can move on the rolling process then.

Remember, if you are happy with our service please feel free to pass my number onto any friends or associates. However, if anyone ever has any concerns, please contact me directly either via mobile 0412 254 633 or via email donna@stoneconsulting.com.au. I value your feedback and input.

"Businesses don't plan to fail, they fail to plan".