

Accounting News

FRINGE BENEFITS ARE YOU COMPLIANT?



As the end of the FBT (Fringe Benefits Tax) year comes to an end – the FBT year is from 1st April to 31st March- we thought it would be a timely reminder to all Employers to ensure correct records have been kept throughout the year so that you are FBT compliant.

The ATO (Australian Taxation Office) provides the following meaning of “Fringe Benefits”:

The terms benefit and fringe benefit have broad meanings for FBT purposes. Benefits include rights, privileges or services. For example, a fringe benefit may be provided when an employer:

- allows an employee to use a work car for private purposes
- provides entertainment by the way of free tickets to concerts, movies or sporting events
- Social functions at a restaurant or a Christmas Party for Employees and their families
- Gifts to Employees such as Wine, Christmas Hampers, Flowers
- Business Lunches and Dinners at a Restaurant or Similar Venue

The most popular Fringe Benefit provided is the Motor Vehicle and at the start of April each year we provide a checklist to enable you to record certain things that will assist us in calculating the Private use of the Motor Vehicles provided to your Employees by your business. These include:

- Car Odometer readings as at 31st March
- Car Log Book Business Use Percentage

CAR LOGBOOK

To claim car costs at the work use % of running costs like fuel, rego, insurance and services, and ownerships costs of finance interest and depreciation, you need to complete a valid car logbook.

The logbook must cover at least 12 continuous weeks, which once completed will last for five years

If you do not have a valid car logbook less than five years old for 2016/17, you cannot use the ‘logbook’ method. You must use an alternative car claim method, which usually results in a reduced tax deduction.

Car log books are available at Service Stations to record business travel and there are also several apps available for Iphone or Ipad which are fully ATO compliant

www.vehiclelog.com.au

www.logbookme.com.au/logbook-app-for-drivers

The ATO provide a comprehensive guide for employees at:

www.ato.gov.au

Fringe benefits tax - a guide for employers

OUR AUDIT SHIELD SERVICE

For your protection



What is audit activity?

Audit activity includes any audit, enquiry investigation or review which is instigated by the Australian Taxation Office (ATO) and other relevant government agencies to ensure compliance with various tax and legislative requirements.

How common are audits, enquiries, investigations or reviews?

The ATO and other government agencies continue to focus on audit activity and are consistently provided with additional resources for this purpose. Now more than ever you are at risk of being selected for an audit, enquiry, investigation or review.

What is the Audit Shield service and why should it be considered?

Our Audit Shield service provides for the payment of professional fees incurred as a result of you being selected for an audit, enquiry, investigation or review.

The cost of being properly represented in these matters can be quite significant. Even if no adjustments are required, you could still be left with considerable professional fees if you are not protected by Audit Shield. Our Audit Shield service provides a fixed, cost effective solution to guard against these unbudgeted costs.

Who provides the service?

The Audit Shield service is provided by our accounting firm via a group policy we hold in our business name, which is underwritten by AAI Limited (trading as Vero Insurance).

What lodged returns/financial compliance obligations are covered?

- Capital Gains Tax
- Employer Obligations – Superannuation Guarantee / PAYG
- Fringe Benefits Tax
- Income Tax, GST and BAS
- Payroll Tax, Land Tax and Stamp Duty
- R&D Tax Incentive (ATO only)
- Record Keeping
- Self Managed Superannuation Funds (SMSFs) (cover available separately)
- WorkCover/Workers Compensation
- Plus more!

Who is covered?

All of our clients can take advantage of our Audit Shield service.

Different levels of cover are available for salary and wage earners, businesses with turnover under \$100 million as well as SMSFs. In most cases individuals and other family entities can be covered with the business entities – for no extra cost.

Is the cost tax deductible?

Yes, a tax deduction can ordinarily be claimed.

Is it mandatory to participate in this service?

No, Audit Shield is an optional service provided by our accounting firm to you, our client. You have the opportunity to participate in or decline our Audit Shield service offer.

What is not included?

We have carefully selected our Audit Shield policy to provide the widest possible coverage for us and our clients. However, we do remind our clients that such items or circumstances as listed below are not covered:

- Activity where notification was given prior to the inception of cover or your confirmation of participation.



- If the ATO auditor imposes final culpability/shortfall penalties of 75% or more, and/or the return is deemed to have been fraudulently lodged.
- Actions in regard to letters from any authority that are educational or advisory in nature or merely suggest, invite or propose actions to be taken by you; or act as a warning to you that you may be selected for an audit at a future time; or do not compel you to take any action.
- Punitive costs (e.g. penalty tax, costs, interest or fines).
- Costs for work incurred which should have been undertaken prior to the audit activity (e.g. outstanding lodgements).
- Any matter in relation to applications, assessments or reviews of government / benefits or entitlements.
- Costs for work incurred which should have been undertaken prior to the audit activity (e.g. outstanding lodgements);
- Actions in regard to letters from any authority that are educational or advisory in nature or merely suggest, invite or propose actions to be taken by you; or act as a warning to you that you may be selected for an audit at a future time; or do not compel you to take any action.

What do I need to do to participate in the Audit Shield service?

Please contact one of our friendly team members to discuss your participation and to arrange an acceptance form to be sent to you.

BM BUSINESS NETWORK GROUP

A new business networking group has been formed called BM Business Network Group which has evolved from discussions held between a few local businesses.

We all realised we are genuinely interested in each others businesses. It was amazing how the conversation just flowed and all of a sudden we were swapping ideas.

We all got so much out of our little pow wow that we thought we better make this a regular occurrence. Except bigger. Better. More businesses. More Ideas. More light bulb moments.

Why not share ideas and learn from one another, discuss our challenges and find solutions; who knows we may be even gain some referrals.

I'm sure we all have something to bring to the table and the aim is to make sure everyone walks away with a feeling that your time spent was valuable.

So far we have secured Account(able) Accountants Pty Ltd, First National Rayner Bacchus Marsh, Callea Pearce Lawyers, Royale Fitness Bacchus Marsh and Connect Rehabilitation & Disability Services and the list is growing. We would love you to join us as well!!

The group will be aiming to run meetings every two months with the first being held on the 28th March followed by the next on the 9th May at a venue to be decided. There will be a guest speaker attend each meeting and an agenda on topics that we are all interested in.
(See invitation below for further details.)

We'd love to have you come along so please let us know if you would like to attend our first meeting and be a part of this group or if you wish to help out in any way.

BM BUSINESS NETWORK GROUP

INVITATION

BACCHUS MARSH BUSINESS NETWORK GROUP

DATE 28th March 2017
TIME 5.45pm for a 6.00pm start
VENUE Account(able) Accountants Pty Ltd
ADDRESS 66 Grant Street, Bacchus Marsh
RSVP Via email or, to Kristen Walsh 5366 1000 OR Brooke McGrath 5366 3606

- AGENDA**
1. Welcome and Introductions – 6.00pm
 2. Guest Speaker – 6.15pm
 3. Question time & Group discussion – 6.45pm
 4. Meeting topics and moving forward
 - Human Resources
 - Business growth
 - Crunching the numbers
 - Marketing
 - Information Technology
 - Team Culture
 - Customer retention

Guest Speaker:

MATT PRINCE

of **Royale Fitness**
Bacchus Marsh

Business Owner,
Motivational speaker,
Personal Trainer
and Coach



Matt started out as a personal trainer working out of his mum's garage at the age of nineteen. Fast track to today and he is the owner of a mega facility with approximately 240 current members. Along the way he has studied nothing but how to improve himself as a person and a business owner as well as improving his member's quality of life.

Covering topics such as your body, health and well-being to your mindset, relationships and business.

Matt will be sharing with the network group the keys to being a high achiever across the board and how to use each aspect of your life to propel the other areas no matter what your age or situation is.

For more information on Matt, see royalefitness.com.au

Some videos of Matt in action:
https://www.facebook.com/pg/Princeystrengthclub/videos/?ref=page_internal

For more information on BM Business Network Group, please go to www.bmbusinessnetworkgroup.com.au

Join us at BM Business Network Group



And more joining by the day!