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NEWSLETTER

accountplan

SMSF Auditing – What to expect in 2020

The ATO has been clear about what to anticipate in 2020 as outlined in these key insights on the ATO focus for the year ahead:

More SMSFs, more Contraventions

The number of SMSFs grew almost 20% over the last financial year while the number of regulatory contraventions grew by over 60% for the same period. The most common contraventions are:

- loans (21.1%)
- in-house assets (18.5%)
- separation of assets (12.7%)

While more than 50% of these self-rectified, if they are not able to get back on track, they may be disqualified as trustees and/or issued with a notice of non-compliance. Penalties can be given under either pathway.

Focus Areas for 2020

The ATO says that their current compliance risk focus areas are:

- Illegal early release (IER)
- Non-lodgement
- Top 100 SMSFs and tax planning
- Top 100 auditors
- High risk auditors
- SMSF Auditor Number (SAN) misuse
- Regulatory contraventions

Trustee Education

Education is a key area of focus for 2020 with the ATO aiming to "promote trust and confidence and willing participation." Looking forward, the ATO wants trustees to be better informed about their role and obligations and is encouraging a proactive approach to trustee education. Some education tools and strategies include:

- ATO website
- Formal advice and guidance products
- Subscription to ATO SMSF pages and newsletters
- Education directions

The ATO is also considering the introduction of mandatory training for trustees.

If you are unsure about the status or compliance of your own SMSF contact the friendly team here at Accountplan on 07 3883 8999 and benefit from our decades of experience in the SMSF field.

Source: For Accountants

Expense Management Software for Tradies & Small Businesses

Being a tradie often leaves very little time for managing your books, so switching to expense management software definitely makes sense from a practical point of view. This is especially true when your business begins to grow or if you to start to employ people. A manual, paper system can work but it has obvious downsides. For a start you don't have any form of backup if your paperwork gets lost or damaged. Your accountant will also charge more to review your books come tax time, especially if you dump a shoebox of receipts on their desk at the EOFY.

On the flip side there are many advantages in using expense management software.

Affordability

There is now a wide range of packages and features available to suit your needs. Packages that have the features required by most tradies will typically set you back around $15 per month.

Whilst there are others that start as low as $5 per month, these will generally have the bare minimum in terms of features, leaving you to pay extra for any required add-ons.

They are Easy to Use

All you need is a smart phone and a basic computer or tablet. A good bookkeeper, like Accountplan's own Kylie Stewart, can help you get started and on your way to better expense management. Once you are set up it's basically a couple of simple steps:

- use your smartphone to snap copies of your receipts then ditch the physical copy
- with the click of a couple of buttons you can upload bills, receipts, invoices and even bank statements to your accounting software

By syncing up to the platform used by your bookeeper or accountant you can bring them into the picture inviting them to view the data directly.

It Will Save You Money

Your time is money. If you can significantly cut down the amount of time you spend on bookwork it will free you up to spend more time on making money and growing your business. Better still it could free you up at the end of the day to spend more time with your family.

Your accountant's time is also money. The old shoebox takes time to sort and they will simply end up scanning all the receipts themselves then charging you for doing so.

Paying less tax can be as easy as snapping a photo. All those coffee meetings, stationery and supply purchases and tool top-ups add up. You never need to miss a deduction again.

But Wait There's More

When it comes to choosing the software that is right for you take the time to consider the other options that are also available:

- Payroll, including the ability to handle payroll functions like PAYE and leave
- Tracking your stock levels, jobs and orders
- Linking and interfacing with your bank account and online payments

Accountplan's bookkeeper Kylie Stewart is here to help and has many years of experience with all the expense management and bookkeeping software options on the market. Kylie has helped dozens of our clients select, install and start using such software. If you want to learn more call us on 07 3883 8999 to start saving time and money

Source: Receipt Bank & hiPages

How to increase your borrowing capacity

Maximising the amount a lender will lend you isn’t about trying to take on unmanageable levels of debt. Rather it’s a matter of taking a few simple but smart steps that could mean the difference between toiling in that ‘fixer-upper’ or owning your dream home.

1. Shop around for lenders

Different lenders define income and expenses in many different ways, that's why it pays to use a Mortgage Broker who knows their way around what’s included and what’s not.

2. Shop around for the right mortgage

A good Mortgage Broker will help you choose the most appropriate mortgage. Even with one lender, your borrowing capacity can vary due to the loan type that you choose.

3. Update your financial records

Try to have your PAYG income tax return as up-to-date as possible. This gives a better historical view of your income than just the two most recent payslips.

4. Check your credit rating

Check your credit rating before applying for a mortgage. Due to changes to the Privacy Act from 12 March 2014, your rating may not be as healthy as you thought. The national credit reporting agencies are Veda, Dun &Bradstreet and Experian.

5. Reduce debt and credit limits

If you have unused credit cards with limits that are more than you need, then cancel those cards. Also, cancel any other cards – such as department store cards – that give you credit. Every $1000 on a credit limit – even if not spent – detracts from the amount you can borrow.

6. Investigate family pledges

Guarantor or family pledges may let your parents or family take out a second mortgage on a percentage of their own property to guarantee repayment to the bank if you fall behind.

7. Take a longer loan term

While 25-year mortgages have been the norm, that's now 30 years and in some cases even 40 years. A longer loan term cuts your repayments but also increases the total interest you will pay over the life of the loan.

8. Save more of the deposit

Lenders look for consistent saving records, preferably for more than six months. Saving more can be as simple – or as hard – as doing without that extra coffee or taking your lunch to work each day. It all adds up and reduces the amount you need to borrow.

Source: MFAA

Team Milestones

We have 2 of our team celebrating service milestones with Accountplan.

Mick Doyle, our resident Finance Broker and General Manager recently celebrated 3yrs with Accountplan

Monique Belz, our Senior Accountant celebrates 14yrs with Accountplan on Thursday 6th of February

Kurt Maxted, joined our team in January as an Accountant having recently relocated from Tweed Heads. Kurt has over 10 years accounting experience having worked in a similarly sized firm on the Tweed

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