



Essential EOFY financial tasks

The 'To Do' list for your business sometimes seems unending, but at the end of financial year (EOFY), it's more important than ever to prioritise your financial 'To Do' list so you can get your business organised and work smarter for the next year.

Some of the end of financial year tasks to organise are:

- Finalising your summary of income and expenses in a profit and loss statement
- Conducting a stocktake of your stock and assets
- Summarising your record of debtors and creditors
- Collating records of asset purchases or expenditure on improvements
- Calculate depreciation expense claims for capital gains tax (CGT)
- Completing and lodging your income tax returns
- Lodging Pay-As-You-Go (PAYG) including finalising income statements for Single Touch Payroll (STP), Fringe Benefits Tax (FBT), Goods and Services Tax (GST)
- Meeting superannuation requirements for your staff

Tax Deductions

When you lodge your tax return, most business expenses can be claimed as tax deductions to reduce your taxable income, such as staff salaries and wages, marketing, business and finance costs, as well as running costs.

There are a range of expenses you can claim, which include:

- Motor vehicle expenses
- Power, heating and cooling
- Travel expenses
- Workers' salaries, wages and super contributions

- Operating expenses
- Depreciating assets and capital expenses
- Carbon sink forest expenses

When you claim tax deductions for your business, you must make sure that your expenses directly relate to earning your income, that they are business and not a private expense, that you have already incurred the expense and that you can substantiate your claim.

Items that cannot be claimed include entertainment expenses, traffic fines, childcare fees or clothes for your family, as well as money earned from a hobby.

Business Structure

It might be advantageous to review your business structure at the EOFY. Compliance and taxation regulations differ depending on different business structures. If you're a contractor or consultant, your personal services income may affect the deductions you can claim.

Single Touch Payroll

Australian Small Businesses should report their salaries, wages, PAYG and superannuation directly to the Australian Taxation Office (ATO) using Single Touch Payroll with each pay period. At the EOFY, STP data will need to be finalised so that your employees can lodge their tax returns when their income statements are marked as Tax Ready. Businesses will not need to provide a payment summary annual report to the ATO.

Keep Up To Date With Tax Changes

Taxation rules and regulations are constantly changing. There might be changes to the system that affect your business, which might include tax breaks, government schemes and changes to deductions. ITP Tax Accountants are well versed with any changes made by the ATO and will advise if they will affect your business.

Tax Scams

Tax scams are prevalent at the EOFY. Common scams include tax refund scams and tax owed scams. It pays to keep on top of this information, which can be sourced from the ATO's web site. A Tax Alert app is available and subscribers will receive updates and alerts on all new tax scams.

Review Your Finances

It's best to work with a professional accountant and use this time to go over your past year's growth and expenses and plan for the coming year. An ITP TAX Accountant will sit down with you and assess your targets as well as tactics you can put into place for the upcoming year. They will also help you create cash flow targets to manage shortfalls, ensure you can pay your staff and suppliers and grow your business.

There may be ways to improve your business that you haven't thought of, such as recovering debt, reducing or rearranging your expenses, selling assets, initiating pricing strategies, consolidating debt, offering different payment options for your customers, making investments and improving your cash flow.

Secure Files

It's a good idea to back up your files and save them to a secure off-site location. This helps to ensure that your business can stay up and running during unexpected events.

Business Insurance

Having the right insurance can help to protect your business, your customers and your income. Before you choose or update your policy, now is the time to look at different types of insurances that your business might need.

The types of insurance vary and usually protect things like:

- business assets
- customers
- employees
- business owners
- your earnings

Insurance policies include compulsory insurance, workers compensation insurance, personal or loss of income insurance, stock, products and assets insurance, accident and liability insurance, technology and cybercrime insurance.

Use A Registered Tax Agent

Ensure your tax agent is registered with the Tax Practitioners Board (TPB). There's no protection from the ATO for taxpayers who use unregistered tax or Business Activity Statement (BAS) agents. As well as providing key advice for your business, Tax Agents and Accountancy fees are a business expense and are 100% tax deductible.

ITP TAX Accounts have helped Australian individuals and businesses for 50 years. Speak to an ITP Accountant who can help you with your individual and business tax, accounting, bookkeeping and key financial advice.

ITP The Income Tax Professionals are more than tax agents. They have been helping Australian individuals and businesses with their business accounting and advice for 50 years and offer a wealth of knowledge. Speak to a Professional today and see how your business can be more profitable.



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