

# DAA Bulletin

## QUOTE

**“I like thinking big.  
If you’re going to  
be thinking  
anything, you  
might as well think  
big.”**

**- Donald Trump**



DODD AND ASSOCIATES LTD  
CHARTERED ACCOUNTANTS



## ACC Invoices

We are still seeing quite a few incorrect ACC invoices. A recent example is a shareholder employee of a company that had owned a residential rental property. When the property was sold during the year, the company made a profit for the first time. In order to keep the company out of the provisional tax regime a small salary was allocated to the shareholder. When a company “allocates” a salary it is always liable for ACC based on what business the company is involved in. Unlike partnerships and individuals there is no passive income choice that negates the liability. In our client’s case the salary allocated was only \$1,000 but because ACC imposed a manufacturing levy (we have no idea why this one was chosen!) this resulted in an ACC premium of just over \$80 and the clients questioned this as they had never had to pay ACC previously. Once we talked to ACC and the levy calculation was changed based on the correct classification the premium was less than the \$40 threshold and was written off.

ACC is one of the quicker government departments to take action if invoices become overdue. They will send unpaid invoices to a Debt Collection Agency in the blink of an eye and you could find yourself with an affected credit rating even if it turns out they were incorrect in the first place. As is usual with government agencies it is up to the individual to ensure their details are accurate and up to date – ACC can make up anything they like and unless you check it thoroughly you will probably find yourself paying more than is necessary.

We are keen to help all our clients avoid any unnecessary stress, so we remind you that we offer a complete ACC monitoring service which includes arranging the best cover for your circumstances, ensuring you are on the correct rate(s) and employment type and assistance in arranging instalment payments. If you would like a quote for this service please contact us.

## Buy Tartare Sauce Now!

The motivational speaker Zig Zaglar once said “An optimist is someone who goes after Moby Dick in a rowboat and takes the tartare sauce with him” What does that mean?

“Moby Dick” is the goals we seek for ourselves whether it be business or personal and which we strive to achieve. But more often than not we let our goals drift because in New Zealand we have a habit of doubting our abilities and that thought of “I can’t really do that” goes through our minds.

If we are to all achieve what we are capable of then it is time to change. We need to be thinking differently and buying that “tartare sauce” now. That’s right - buying the “tartare sauce” before you have taken on Moby Dick tells your mind - I will conquer this challenge and achieve my goal. In fact, I’m so sure of it I’ve already bought the condiments.

How do we think differently? By taking action and focusing your mind on the fact that the goal is achievable and to start moving towards it. For example if you want a “Aston Martin” car go and buy the car mats that you will put in it when you get the car. Or if you want to take an overseas trip buy a new suitcase especially for that trip. Your mind will start to think about what else you need to do to achieve your goal as a result.

We challenge you to buy the “tartare sauce” and not let Moby Dick pass you by. Do you accept that challenge?

## Employee Trial Periods

We are seeing increasing issues with 90 day trial periods which in the past have been labeled a success but not necessarily implemented correctly by employers. Recently there has been a number of employment law cases where the trial period has come back to bite the employer. If you are using trial periods consider the following:

1. Show good intention – genuinely intend to employ the potential employee for more than 90 days.
2. Talk about the trial period before the employment offer is made, and provide a copy of the intended agreement (with the trial period in it) when negotiating and offering the role.
3. The potential employee must be given time to consider the employment agreement and seek independent guidance.
4. Provide opportunity for the potential employee to negotiate the agreement with you after seeking advice.
5. Ensure the trial period clause states you can dismiss the employee during the period and he or she can't then bring a personal grievance.
6. Ensure the employment agreement is signed before work starts. Not after but before! If it is signed after they start work the 90 day trial period may not be legitimate.
7. When the agreement is signed, implement monitoring and systems to ensure the quality of an employee's work.
8. Address performance issues during the trial period as you would with any other employee.
9. If they do not meet your standards terminate them within the 90 day trial period – it is recommended that the last working day be the 80<sup>th</sup> to 85<sup>th</sup> working day so as to protect yourself.

## App Talk

With smartphones and tablets all the rage there are now hundreds and thousands of apps available and many have been designed for business. Some of the apps that we use and recommend are:

**HeyTell** - voice messenger that allows you to instantly talk with friends and family.

**Viber** - call, text, send photos for free over data connections. No toll calls or anything of the like to pay.

**Ted** - videos from conferences around the world with a wide range of ideas and latest creative thinking on society's biggest challenges.

**Dropbox** - cloud based storage solution that syncs between multiple computers.

**Yolu Card Reader** - business card scanner and reader which stores the details of the card in the app and in the cloud.

**Evernote** - make notes on your phone either by typing or audio. Range of add on apps available for Evernote also.

**TripIt** - designed for business travelers and will maintain full details of your business plans, itinerary etc.

These apps are some of those that we use but as with any app it is a case of trial and error. If you find a particular app does not meet your needs start your search again and there will be an app to do what you want. If there is not an app have you considered having one written? We are considering writing our own app and welcome any feedback on what you believe our app should be. Here is your chance to tell us what we should be doing.

## MYOB Software

MYOB have announced that if you are running an old version of MYOB AccountRight and are not on business support they have an offer that you need to consider.

If you upgrade to MYOB AccountRight Live before the end of April they will give you three months **FREE!** AccountRight Live is their desktop / cloud based solution and is the latest release of their accounting software which allows you to work from anywhere anytime.

If you are interested in this please let Kerry know and he will arrange for the upgrade.

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