

Wine Announcement

Congratulations
**ESL Developments
Limited** you are the
latest winner of DAA's
monthly wine draw!
To be in to win next
month simply pay any
invoice within 10 days of
the date issued, it's that
simple!



CHARTERED ACCOUNTANTS

Preparing for the End of Financial Year

Collate your Records

- Keep all expense receipts and invoices you receive.
- Keep copies of all invoices you send out.
- Keep records of any other types of income or expenses, like dividends or rental income.
- Try to pay for anything that could be a claimable business expense through your business account, so you've got a paper (and electronic) trail.
- Keep all records, either electronically or in paper form, for seven years.
- Set up a filing system that works for you, so you can easily find your records

Choose your Systems

- Talk to others and try a few systems to work out what's best for you and your business. There are plenty of online software options that can save you a lot of time at not much cost. Or opt for a paper-based system.
- Consider getting expert help to get started. Knowing you've got everything set up properly will save you time and stress down the road.

Plan your Taxes

- Set up a separate, interest-earning account for tax and ACC payments, and put a portion of each payment you receive into it.
- Make sure you withdraw these funds in time to make any payments due

Get Help

- Decide what you actually need help with. It may be worth the investment of getting help for a couple of GST returns to ensure you get it right.
- Come year end, getting DAA to come to you could save you a lot of time deciding what to provide as you will have everything on hand as we ask for it
- Consider getting help at key times even if you decide you don't want the ongoing cost of using us on a regular basis. Seek help early when you're not confident about doing a task yourself.

Debtor Daddy

Good credit control is making sure that you are enforcing your terms of trade and ensuring your clients pay you when your invoices are due. It's about contacting clients when they have failed to make payments and following up to ensure they do. You need to have a constant process for invoicing and reducing your accounts receivable, from the minute the invoice is issued to when the money is in the bank you should know what is going to happen to determine that outcome.

Introducing Debtor Daddy, a platform that allows people to create an ongoing process to manage the accounts receivable process in their business.

Debtor Daddy can;

- Automate your follow-up emails
- Customise your approach per customer
- Easily report on what's overdue
- Record notes and reminder history
- Works with your existing accounting software

If you think that Debtor Daddy could be good for your business come in and have a chat with us at DAA.

Protect Yourself From Bad Debt

Another housing company has fallen over and many of its subcontractors and suppliers are left holding bad debt. Do you know how you could protect yourself and lower the risk of being caught with a bad debt? The following are tips to assist with protecting yourself:

1. Know your customer – when they order do they do it in their own name or a Company name? You can ask over the phone but it's better if you can get them to do a credit application form asking for full legal name, business status, credit references etc. if you don't have the right name from the start you may fail in a bid to get money later.
2. Carry out a credit check – not completely fail proof but this can give you an idea of what their business trading history is like and whether there have been any issues.
3. Terms and conditions – do you have any? If you don't have any why not? If you do, has the customer agreed to them? When were they last checked? Does it provide for the customer to pay all debt collection costs? If a customer has signed the terms and conditions it is very difficult for them to argue later that they didn't know about them.
4. Director guarantees – if you are selling to a company get the Director/s to personally guarantee the account of the Company. If the company fails then you can exercise your right around the guarantee and get the Director/s to personally pay the debt.
5. Prompt and regular chasing – the squeaky wheel gets the oil as they say. If a customer does not pay on time follow up with them and try to get a commitment. If they continue to not make payment, personally visit them and if still no progress then consider debt collection or court action including liquidation.

April 7th Tax Due Date

Following feedback received IRD are working to better understand why people go into debt and they are developing initiatives to help lessen this. You may notice some of these initiatives come into effect in the build-up to 7th April.

Around 24th March IRD will be sending out "just in time" reminder letters to customers that have been late payers in the past or did not have tax to pay last year. They want the letters received close to the due date in the hope people will action them straight away. Following this letter IRD will be issuing a text message reminder between 30th March and 1st April.

IRD will also be making it clear to those that who have short paid or underpaid provisional tax that it is accruing interest.

If you are concerned you won't be able to meet that April 7th date to make your payment now is the time to be contacting us. We can work with IRD to set up instalment arrangements so you aren't putting yourself under any unnecessary stress.

GST Ratio Method

Have you considered paying your Provisional Tax by the GST Ratio method?

The GST ratio method enables provisional tax payments to be aligned with a business's cashflow and reduces their exposure to use-of-money interest. Provisional taxpayers who are registered for GST on a two-monthly basis will pay provisional tax on their 2nd, 4th and 6th GST returns for the year. Taxpayers who pay GST monthly will pay provisional tax on their 4th, 8th and 12th GST return for the year. Taxpayers who account for GST on a six-monthly basis will only have to pay their provisional tax twice a year with their GST.

To switch to this method you need to have applied before the 31st of March.

If this sounds like something you would be interested in contact us before the 20th March 2016 and we can set you up for \$45 +GST

Changes to Paid Parental Leave

The Government has made further changes this year to Paid Parental Leave (PPL). These will come into effect on 1 April 2016 and it is important you know how this will affect your workers and business.

The major change is that staff who have worked for you for 6 months or more will now be entitled to 18 weeks of government-paid parental leave. This is up from 16 weeks which was introduced last year.

A further change on April 1 sees those qualifying for parental leave will now be allowed to work an occasional day and attend courses while on paid or unpaid leave. Both employer and employee must agree on this.

There are other proposals currently being considered around flexibility of parental leave and the extension of it to casual and seasonal workers.

If you are unsure of the correct procedures regarding parental leave for your employees let us know and we can talk you through everything you need to know.

info@dodd.co.nz www.dodd.co.nz

11 Picton Avenue · PO Box 42113 · Christchurch · 8149

