

SEPTEMBER 2021 EDITION

- Update from Mel
- Reminder: Service NSW grant closing dates
- Tech tip: scanning app
- Zinc Phosphide update
- Are COVID-19 grants and funding tax free?
- Quickbooks software tip



*Photo of the
month*

UPDATE FROM MEL

Welcome to the start of Spring! My favourite time of year, the trees and flowers are starting to blossom, the weather is warming up and the birds are chirping, it is glorious.

It is also our busiest time of year as accountants and even in lockdown this is no different. As you may by now have realised, our office is closed and we have moved to working from home along with the NSW

Government guidelines, however this does not mean we have forgotten you all, it is business as usual we just have a different work environment for a while. With technology there are still many ways we can complete your tax returns and financial statements, this can be done via phone, post, email or zoom. As soon as lockdown ceases, we will be moving back to the office and hopefully back to some normality (whatever that may look like).

On a personal note, I am not sure what everyone else's lockdown looks like, but for me it is juggling working with supervising school work for a 10 and 7 year old. However, a positive to come from it all is we are doing more things together, the kids are loving helping me cook and most days they are wanting to bake something, we have made cakes, cupcakes, scones and some very yummy desserts. We are trying to balance all this baking (and eating) with lots of bike rides and exercise in the backyard! We have also set a goal to play a different board game each day from the games cupboard (I love board games so we have heaps to get through)!

During these times, please reach out to us if we can assist in any way with your business, from the current government assistance, compliance work or just to discuss things about your business that you may need answered. We are all in this together and can work together to get through these times!



REMINDER

Applications for the Service NSW COVID-19 business grant close 11:59pm on 13 September 2021.

The JobSaver payment and micro-business grant close 11:59pm on 18 October 2021.

We would love to see what you have been up to this month! Send in your favourite photo that you have taken this month. Email photos to admin@mwata.com.au

This month's photo is from Jerry J.



TECH TIP

Do you have a some documents that you want to digitise or create an electronic copy of? Or do you need to send us some documents but don't want to put them in the post? Then we have a solution - mobile phone scanning apps!

Photos of documents are great, but scanned copies are even better. Using a photo scan app will ensure your receipts and documents are captured accurately and in high quality. Once a document has been scanned, simply share it as a PDF and email to the office. It's that easy!

Some of our favorites are Adobe scan, IScanner and Genius Scan however, there are plenty more out there! These are all available in the app store on your phone for free.

ZINC PHOSPHIDE REBATE

The zinc phosphide rebate for primary producers is now available through the NSW Rural Assistance Authority. Eligible primary producers can apply for a rebate of 50% for the purchase of zinc phosphide, up to \$10,000, to provide financial and cash flow relief to those experiencing financial hardship as a result of the mice plague.

Only one claim is to be submitted per application per ABN. You will need to submit all your invoices in one claim, you cannot make multiple claims to reach the full \$10,000.

Eligible applicants can submit a single claim for a rebate on zinc phosphide purchased between 1 January 2021 and 17 December 2021. If you intend to purchase additional zinc phosphide in the coming months, don't submit your application until you have made the purchases.

Applications can be made online via the NSW Rural Assistance Authority (RAA) and are open until 17 December 2021. All invoices must be submitted to the RAA by 28 January 2022. Claims can only be paid until the closing date or earlier if available funds are expended.

You will be required to upload a number of documents during the application process:

- LLS Rates Notice OR Land and Stock Return for the property where baiting will be performed
- Lease Agreement if you are the Lessee of a property where works will be completed
- Tax Invoices for any zinc phosphide baiting that has been completed
- Most recent Tax Returns & Financial Statements (contact the office for a digital copy to be emailed to you)
- Evidence if accessing a Rural Financial Counsellor

The online application form has been designed to make the process as simple as possible. You will be required to upload digital copies of supporting documentation so please have these ready before commencing your application



ARE COVID-19 GRANTS AND FUNDING TAX FREE?

Most people would think that money provided by the Government to support people and business during a crisis would be tax free? Otherwise, it's like giving money with one hand and then taking it away with the other, isn't it?

But, the tax laws don't work like that. To make a payment tax-free, legislation is required to enable it to be classified as exempt income or non-assessable non-exempt income. In general, any income received will be assessable unless the Government has legislated for it to be tax-free. JobKeeper for example was not tax free and anyone who received it in 2020-21 will need to declare it in their income tax return. Businesses also will need to declare JobKeeper income in their tax return even if the full amount flowed directly to employees.

However, legislation was passed in 2020 and 2021 that allows the Treasurer to declare specific payments received by eligible businesses to be non-assessable non-exempt (NANE) income if certain conditions can be met.

Broadly, support payments relating to COVID-19 will be treated as NANE income if they are made under an eligible program (i.e., declared by the Treasurer), they are received in the 2021 or 2022 income year, the recipient carries on a business and has an aggregated turnover of less than \$50 million.

A legislative instrument allows the following COVID-19 support payments to be treated as NANE income:

- 2021 COVID-19 business grant (NSW)
- 2021 COVID-19 JobSaver payment (NSW)
- 2021 COVID-19 micro-business grant (NSW)
- Performing Arts COVID Support Package (NSW)

The key issue that is yet to be clarified by the ATO whether business entities that receive COVID-19 support payments classified as NANE income will need to apportion expenses so that a portion is treated as non-deductible. It is not generally possible to claim a deduction for expenses that are incurred in gaining or producing income that is classified as NANE income (or exempt income).

SOFTWARE TIP: QUICKBOOKS ONLINE



QuickBooks Online has two different methods for bank feed connection, direct connection and third party connection. We have been seeing a number of bank feeds connected via the third party disconnect regularly and miss transactions.

When allocating transactions, be sure to check for any gaps in the dates or reconcile regularly. If you believe your bank feeds are not working, contact the office and we would be more than happy to help reconnect your bank feeds or move to a new program.