

DPA Year in Review

Some big things happened in DPA this year, starting with our office staff. We welcomed our new receptionist, Niccy Swain, who after only a couple of months into the role instigated the arrival of another new team member, our Jura coffee machine – greatly appreciated by all staff and our visiting clients! Niccy's arrival saw Kim Isaacs move upstairs to become Angela and Lance's PA which in turn saw Kelsey Allen move on over to the accounting team, still retaining her role as secretary for our Maori Trusts.

In keeping up with our Professional Development, all of our staff attended the Xero Roadshow in Rotorua. There are new apps constantly being created to help streamline businesses that compliment the Xero software so we would encourage you all to attend a roadshow next year should it pass through an area near you.

New anti-money laundering legislation came in, which saw us having to ask our clients for a lot more information, so we thank you for your patience when dealing with us and all the extra documentation you have had to provide.

Kayla is about to get married to her partner Kane so the office tearoom is abuzz with the talk of wedding preparation, along with the excitement of the pitter patter of tiny feet visiting the office soon with Cheryll and Jade both due to have babies in the first part of 2019.

The Christmas function this year was celebrated at Poronui Ranch which we can highly recommend as a team building day. The team took part in different activities including archery, shooting & blind food tasting, ending with a gourmet BBQ. It was a heap of fun to top off a brilliant year!



How cyber-secure are you?

Blackmail, extortion and identity theft might sound like something straight out of a blockbuster movie but cyber crime is not only a reality, it's on the rise and research shows the average Kiwi business isn't prepared.

Is New Zealand really under threat, we're so far away!

Unfortunately 'out of sight, out of mind' doesn't apply to cyber criminals. More than a quarter of Kiwi businesses surveyed by Grant Thornton in 2017 faced a cyber-attack in the previous year, placing us eighth in the league table of 37 countries surveyed.

What can happen if I'm attacked?

Cyber security threats, which include data breach, insider threat, cyber bullying and more, can mean facing larger financial loss from reputational damage, theft of customer details and intellectual property, and infrastructural damage.

How much protection do I need?

It can be as simple as switching on two-step verification on your email but if you rely on sensitive data or store personal information about staff and customers, you'll need to do more. Being proactive could mean software updates, setting up logs, using cloud services (if you're not already) and securing devices.

Unfortunately, it's not a question of 'if' but 'when' your business will be attacked, so take action to protect your business. To find out the best way to keep your business safe in 2019, give us a call.



Watch out for Spam!

With the recent increase in spam emails supposedly from the IRD, keep an eye out for the subject heading: "GST returns due in 5 days". If you get one, delete it.



Checklist: Can your business survive the holiday period?

While the Christmas/New Year period is traditionally a slow time of year for business, you still need to meet your expenses.

Ensure your bases are covered before you clock off for the year.

1. Plan ahead

Do a budget to figure out how much you are going to need to cover your overheads. This is especially important if it's going to be several weeks before you start earning a crust again.

A cashflow forecast will help you identify any issues before they become problems.

2. Get your cashflow in order

You can achieve this by:

- Prioritising jobs you can complete quickly so you can invoice clients straightaway.
- Incentivising early payment for completed work by offering a discount.
- Chasing outstanding invoices.
- Seeing if you can re-negotiate payment terms with suppliers.
- Reducing unnecessary spending.

3. Don't forget taxes

IRD expects GST and provisional tax payments to be made on January 15. Interest of 8.22% and late payment penalties apply if you don't.

Here's a tip: If paying both is going to hurt the bank account, prioritise paying the GST. You can utilise the services of an IRD-approved tax pooling provider such as Tax Management NZ to pay the provisional tax later. They reduce IRD interest by up to 30% and eliminate late payment penalties.

As always, we're happy to work with you so you have nothing to worry about while you enjoy your summer break.

How to enjoy all the bells and whistles without the tax headache

Parties and gifts are all part of the festive fun but they can cost a small fortune. Here's a list of the rules around entertainment expenses so you know what's deductible and non-deductible before you fork out for your staff and customers.

1. To claim 100% of your customer gifts, keep it non-food or drink related. Book vouchers, tickets to a sports match or a personalised calendar can be claimed in full.
2. Got a staff party planned? Half your food, drink, entertainment and venue hire can be claimed in your GST and income tax returns.
3. You don't need to pay Fringe Benefit Tax on entertainment expenses (that come under the 50% deductibility rules) unless it's being enjoyed by staff outside of their work duties.
4. Heading to Aussie for a fun-filled weekend with your staff? It's 100% deductible (and they'll love you for it!).
5. If you're giving customers and staff food and wine for their efforts you can claim 50% as a business expense.
6. Donating to charity this Christmas? You can deduct 100% of the cost of entertainment you provide to members of the public for charitable purposes.
7. If you're taking your family (who don't work for you) out for brunch to thank them for putting up with your long hours... it's not deductible because it's not related to generating income for your business.
8. Taking the team out for lunch? Ordering in a Christmas feast? You can claim 50% as a business expense whether you're out of the office or on-site.
9. Top tip: If you run out of time to organise Christmas gifts for customers, why not surprise them with a 'Welcome back to work' prezzy in the New Year?

Remember to keep your invoices and receipts for business entertainment expenses and if you have any questions about what's deductible and non-deductible, give us a call.



Moving to payday filing

Payday filing is here

Remember, the law has changed so you must shift to payday filing by 1 April 2019. This means instead of filing an Employer monthly schedule (IR348) every month, you'll file employment information every payday in line with your normal payroll cycle. **Note:** with payday filing you'll continue to pay on the 20th of the following month.



Business Health Check

Do your Christmas housekeeping!

- Chase up unpaid invoices to encourage payment before Christmas to get cashflow off to a good start for the New Year.
- Make sure your voicemail message and website mention closing date info and emergency contact details. Who's responding to work related emails while you're on holiday?
- Is payroll all set up for the holidays? Don't leave it till the last minute and double check your calculations.
- Shutting the doors over Christmas? Remember to give staff 14 days' notice.
- Back up your client and financial data on all IT systems and run any anti-virus updates.
- Feeling hectic? Make the workplace more relaxed in the lead up to Christmas by decorating the office, organising a Secret Santa, playing festive music or letting staff dress more casually in the final few days.

Ways to payday file

Once you shift to payday filing for your business, you'll have the following options:

- Use the Payroll returns account in the My business section of myIR instead of ir-File (file upload and on-screen options will be available).
- Directly from your payday filing compatible software.
- For those under the electronic threshold, paper filing is only available from 1 April 2019

Filing electronically may now be required

From April 2019 the threshold for paper filing will change. Any account with annual PAYE and ESCT greater than \$50,000 will need to file employer information and employee details electronically through myIR or using software.

What do I need to do now?

Now's the time to shift to payday filing:

1. Consider using payroll software. There's a new software option allowing you to securely submit your employer information directly to the IRD from the software.
2. If you're using myIR to file, let the IRD know you're shifting to payday filing by opting in through your myIR account before the month you start payday filing.
3. If we complete your PAYE, liaise with us so we can let the IRD know when to shift to payday filing.

Find out more today

Check out the IRD website [here](#) for more information about payday filing.

KEY TAX DATES - DEC 2018 & JAN 2019

Date	Category	Description
20 December	PAYE	Small employers return and payment Large employers return and payment
	RWT	RWT return and payment due for November
	NRWT / Approved Issuer Levy	Payment and return for November
15 January	PAYE	Large employers returns and payments
	Provisional Tax	Instalment due (for taxpayers with March balance dates)
	GST	Return and payment due for November
21 January	PAYE	Small employers return and payment Large employers return and payment
	FBT	Third Quarter return and payment due
	RWT	RWT return and payment due for December
28 January	NRWT / Approved Issuer Levy	Payment and return for December
	GST	Return and payment due for December

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