



Issue 31 March 2020

Accounts and Tax Preparation for 31 March 2020

Newsletters - We have been sending out recently several newsletters regarding the COVID-19 virus, the lockdown and information on the Wage subsidy as it is released by the Government. As you may be aware the regulations for this subsidy are changing daily and we urge you to "like" our Facebook page, the link is at the end of this newsletter. Kerrin will be updating the information as it is announced through this medium.

31 March 2020 is upon us, which means that it is time to think about year end procedures and information that we will require to produce financial statements.

Our 2020 Financial Questionnaires will be available online on our website www.bellaconsultants.co.nz under resources from Mid-April 2020.

Please - Read, **complete**, sign and return the applicable questionnaires together with any information required to prepare the 2020 financial accounts as we are unable to start any work without them. Just signing the questionnaires does not enable us to be able to complete your work on a timely basis as we generally need to stop and ask for the information already requested. We are conscious that in these times saving money is paramount and in order for us to be able to reduce our fees we need full information.

Completing the questionnaires will provide a detailed guide as to the information required for the preparation of your accounts and tax returns.

We do require your current bank account details for possible tax refunds. The Inland Revenue as from 1 March 2020 will not be issuing refunds by cheque.

The following is a very summarised version of the details of our checklist and the major points are included in it.

Bad debts - If you are no longer pursuing recovery from debtors and you have accepted the payment will not be received, please ensure these are written off prior to 31 March 2020.

Stock - Please try to give an accurate stock figure as at 31 March 2020. This should be valued at cost price excluding GST. We do realise that with the enforced lockdown at this time, the exactness of stock on hand could be impossible. Please do your best.

Provide a record of any major changes to your business. For example, purchase or sale of assets, purchase or sale of rental properties, new companies/trusts/partnerships formed, appointment of new directors or trustees, new bank accounts, new loans, new hire purchase or lease agreements.

If your accounts are prepared using a computerised accounting system and the accounting system is in the cloud - for example XERO or MYOB - then adviser access can be made to prepare the accounts. If your accounting system is not in the cloud then a backup of the year end accounting file as at 31 March 2020 on a memory stick should be provided.

Make sure bank accounts are reconciled, particularly where a computerised accounting system, such as MYOB or Xero, is used. We will still require a copy of your bank statement confirming the balance as at 31 March 2020.

Where applicable, print out outstanding debtor and creditor lists as at 31 March 2020 and ensure they match the accounts.

If your accounts and tax returns are prepared on a cash basis you will need to provide a full year's bank statements for all bank accounts showing the opening and closing balances.

Provide loan account balances as at 31 March 2020 and summaries of interest paid for the year.

Provide term deposit confirmations as at 31 March 2020.

Provide us with interest received (RWT) certificates for the year for all applicable bank accounts including term deposits, both existing and new deposits.

Provide any dividend statements received during the year.

If you have purchased assets that cost more than \$500 (plus GST), you will need to provide a summary of those purchases and copies of the invoices. Additionally, provide copies of any new hire purchase agreements entered into during the year.

If credit cards have been used for both business and personal expenditure you must clearly identify which expenditure is which.

Provide a schedule of any business expenses paid from your personal account and any personal expenses paid from your business account.

If you have sold or purchased property during the year include copies of settlement statements and sales and purchase agreements.

If using a home office, provide full details of the time spent working per week on average at home. Also details of home expenses such as interest on the home's mortgage or rent, insurance, power/gas, rates and repairs and maintenance expenditure.

If you have income protection/disability insurance provide details of premiums paid for the year.

It is always helpful if you provide your records in an orderly manner for example in a folder using appropriate folder dividers. Providing full information in the right format will enable us to complete your financial accounts and tax returns accurately, efficiently and cost-effectively.

As stated previously, please complete and return the signed questionnaires. They look difficult but once viewed the task seems less daunting. Do not hesitate to ask us any questions regarding these documents.

INLAND REVENUE AND ACC WILL NOT BE ACCEPTING OR ISSUING CHEQUES FROM 1 March 2020

From 1 March 2020 Inland Revenue and ACC will stop accepting payments by cheque, including cheques dated after 1 March. The safest and quickest ways for you to pay them is online – either in myIR or through your bank account.

For more information on the online payment options check out ird.govt.nz/cheques

Cash or Eftpos at Westpac

You are able to make cash or Eftpos payments at a Westpac branch. However, from 1 July 2020 they will need to have a barcode to ensure the payment can be correctly allocated. Barcodes are usually printed on Inland Revenue returns, statements or letters. Barcodes can also be generated on the IRD website, which can be printed, or just shown on a mobile device. To generate a barcode go to ird.govt.nz/barcode.

Automatic payments

Online or in-branch payments are not for everyone, so automatic payments may be preferred. This allows for two signatories, and when completed correctly is an instruction to make a regular series of payments, such as debt or arrears. Payment processing times can vary,

so check with the bank. For instructions, and to download the form, visit the IRD website and search for IR586.

TAX PAYMENTS

When you receive the tax notices from us please set up the automatic payments at that time. It is essential that the payments are made in full and on or before the due date.

If you are unable to make the full payment, please let us know immediately so that we can advise you of different procedures to make the payment.

If you have paid the tax in full but a day late, please let us know immediately.

The consequences of late or short payments are dire. IRD will now charge interest on the late paid amount from its due date until the final tax for the year is paid – sometimes this is 18 months. This is known as loss of safe harbour. Safe harbour is your tax status when all required amounts are paid in full and on time.

And finally Facebook - please like and follow us on Facebook using the logo below as we are publishing updates and changes that are being made as they come through. To Our Valued Clients and Associates



From the Team

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