

# CENT\$IBLE NEWS

**Make\$:**Cents  
Accounting

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**MARCH 2018**

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## END OF THE FINANCIAL YEAR IS HERE

For most of you the 31<sup>st</sup> March marks the end of your financial year so there are a few tasks that you need to do immediately. The most important one is to **do your stock take** if you are a business that has trading stock that you use as part of your manufacturing process or if you buy in goods to on sell such as retailers. In addition to trying to get your stock take done, the end of the financial year falls on Easter weekend. Which means some of you will be busy with customers and others will be trying to take advantage of the last long weekend with decent weather to get away from work for a bit.

You also need to ascertain your work in progress, debtors and creditors as at 31 March, get copies of your bank and loan statements that cover the period ended 31 March.

In early April we will be updating our End of Financial Year Checklists and emailing them out to you, they will also be available on our website.

## IRD CLOSE DOWN IN APRIL

Inland Revenue changed their software system for GST last year. In April they are changing their software system for PAYE, income tax and FBT. To enable the change over Inland Revenue will close on the afternoon of Thursday 12<sup>th</sup> April and re-open on the morning of Tuesday 17<sup>th</sup> April. This includes all their systems and call centres.

## THE TEAM

Maurice O'Reilly – Business Consultant

Lauretta McKelvey – Client Services Manager

Wendy Cate – Accountant

Angie Kempson – Accountant

Bronwyn Thompson – Frontline/GST Administrator

## CLAIMING FOR “UNIFORMS”

To claim any sort of clothing as an expense it must be a uniform. This means it must be clearly identified with the employer through the permanent and prominent display of the name or logo that the employer or business regularly uses in carrying out their business activity. It must also be worn in the course of employment or your work and it can't be clothing that employees and business owners would normally wear for private purposes. Basically no business name or logo on the clothing no claim. We will address protective clothing in our next newsletter.

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## AIM – ACCOUNTING INCOME METHOD FOR PAYING PROVISIONAL TAX

From 1 April 2018 Inland Revenue is introducing a new method of paying provisional tax. Basically the criteria is for small businesses with turnover less than \$5 million a year, you cannot be trading as a partnership or a trust and you must be using AIM capable software. The idea is that Inland Revenue will receive information from your AIM capable software such as MYOB or Xero Tax Practice Manager (for Accountants only) and with a few adjustments it can work out your provisional tax payments based on your actual income and expenses each time you file your GST return. It will also trigger an immediate refund if you have overpaid your provisional tax in previous periods.

The AIM option for paying provisional tax will suit some people but not, as already stated, if you trade as a partnership or a trust, or if most of the profit in your company is paid out as director's fees or shareholder salaries to the shareholders.

If you think AIM is the way for you to pay your provisional tax then give us a call and we can discuss whether it will work for you and if you meet the criteria. Remember AIM is an additional way of paying your provisional tax. Other methods such as setting up monthly payments or paying in instalments when we send out the reminder notices and payment slips are still available methods.

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*“Commonsense and easily understandable advice and services without the  
“Accountanese”*

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