

# Business Forum

30 April 2020



**enspira** financial  
enabling aspirations



# welcome

Ask your questions as we go through the 'chat' box!





# agenda

- JobKeeper update
- PAYGW cash boost roll out
- NSW Small business grants eligible recipients
- Banking matters
- Business pivots
- Final Q&A & wrap up





# jobkeeper update

## **\$1,500 payment per fortnight subsidy**

1. Eligible employers:
  - a. In business with an ABN on 1 March 2020
  - b. Lodged 2019 tax returns or BAS (extension with tax agent)
2. For all eligible employees or eligible business participant (i.e. business owner)





# jobkeeper update

**BASIC**

## **Assessing turnover decline to qualify**

1. Turnover is defined as GST turnover including taxable supplies, GST free supplies but not input tax supplies
2. Cash or accrual basis

## **Basic test**

Compare current month or quarter turnover with turnover for same period in 2019:

1. To qualify for JobKeeper from April 2020 must qualify for month of March, April or quarter commencing April 2020
2. To qualify later for JobKeeper must compare:
  - a. Any month from May to September 2020 to last year
  - b. Quarter commencing July 2020 forecast to last year actual



# jobkeeper update

## Assessing turnover decline to qualify



### Alternative tests

1. New business commenced
2. Business acquisition, disposal or restructure
3. Substantial increase of turnover
4. Affected by drought or natural disaster
5. Irregular turnover
6. Absence of sole trader or partnership due to sickness, injury or leave and no employees

Employees employed through a special entity - discretion



# jobkeeper update

## What you need to consider?



### Turnover forecasts

1. Known information
2. Recent patterns in trading that are expected to continue
3. Revised business plans

*Document ! Document ! Document !*



# jobkeeper update

## What you need to consider?



### Who are Eligible Employees

1. Meaning of casuals regular & systematic
2. If multiple jobs permanent role **MUST** be selected over casual role
3. Full time students 16 or 17 and not financially independent **ARE** not eligible (new announcement)
4. Check employee Visas
5. Employee vs Independent contractor

You **MUST** include all eligible employees

- An employee can select to be ineligible



# jobkeeper update

## What you need to consider?



1. Top up wages to Gross \$1,500 per fortnight by 8 May for the month of April
2. Keep your records up to date for monthly reporting within 7 days of month end
3. Cash flow to fund JobKeeper:
  - a. Payment will be received in arrears
  - b. First payment expected 1<sup>st</sup> week of May if enrolment completed correctly
  - c. Then 14 day in the following month after fortnight ends
4. Risk if you get it wrong!!!



# jobkeeper update



**WRONG!**

## **What if I get it wrong?**

The JobKeeper Payment contains robust integrity features ranging from the eligibility requirements to specific rules to address contrived schemes and fraud

These requirements are in addition to the existing administrative and civil penalties and criminal offences that apply in the taxation law and general criminal law

These measures will not affect taxpayers that do the right thing.



# how we can help!



- 1. Eligibility**
  - i. Assessment of eligibility
  - ii. Forecasting turnover to determine turnover test
  - iii. Applying for ATO discretion
- 2. Application for JobKeeper**
- 3. Processing to access JobKeeper**
  - i. Single Touch Payroll set up
  - ii. Set up existing payroll for JobKeeper administration
  - iii. Payroll & JobKeeper training
  - iv. Payroll processing or review
  - v. ATO JobKeeper reporting and lodgment
  - vi. Reconciliation of JobKeeper payments to payroll
- 4. JobKeeper monitoring**
  - i. Monitor & reconcile JobKeeper payments
  - ii. Liaise with ATO discrepancies



# paygw cash boost

- Payment of the PAYGW cash boost has commenced into integrated client accounts automatically following lodgment of the March 2020 BAS
- The cash flow boosts will be applied to reduce liabilities arising from the same activity statement
- The remaining credit can be paid out in cash to your nominated bank account





# small business grants (NSW)

## What is this?

The NSW Government is providing a grant of up to \$10,000 to small business or non-profit organizations that have experienced a 75% decline in revenue as a result of COVID-19.





# small business grants (NSW)

## List of highly impacted industries

- Accommodation and food service (e.g. café)
- Administrative and support services (e.g. travel agency)
- Arts and recreation services (e.g. fitness centers)
- Information media and telecommunications (e.g. library)
- Other services (e.g. hairdresser)
- Retail (excluding food retailing)
- Transport (e.g. taxi)
- Rental, hiring and real estate services (e.g. real estate agent)
- Education & training (e.g. preschool education)
- Wholesale trade (e.g. pharmaceutical)





# small business grants (NSW)

## **If not a highly impacted listed industries**

- Small businesses not listed can still apply for assistance and will be required to show evidence of a decline in turnover of 75 per cent since 30 March 2020 compared to the equivalent period (of at least two weeks) in 2019
- A letter from an accountant confirming the decline in turnover will be required





# banking matters

## **What's on offer?**

- Reduction in interest rates
- Reduction in some fees
- Payment 'holidays' (e.g. loan, mortgages, lease) for 3 – 6 months
- Coronavirus SME Loan Guarantee Scheme (up to \$250k)





# banking matters

## **How to approach and negotiate with a bank**

- Identify what you would like to achieve
- Understand your financial position
- What type of finance do you have?
- What type of relationship do you have - Retail customer v business customer
- Who are the decision makers & can you get to them?
- Is a decision automatic or to be determined?
- What evidence is required to support your case?
- Are you happy to do it yourself?





# pivoting business in a crisis

## Examples from our client base

- Wholesale nursery providing succulents & indoor plants pivots to much sought after edibles
- Marketing business providing copy to businesses pivots to providing copy for government grants
- Optical training business pivots to offer stood down employees training programs
- Report writer pivots to company announcements for businesses
- Wine bar pivots to take away meals and alcohol
- Logistics business pivots to contact/signature free delivery





# final questions





# wrap up

1. Thanks for attending
2. Next forum Thursday 14<sup>th</sup> May



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