



Fringe Benefits Tax - What you can claim for Christmas

It has become widely understood that looking after your key staff can have short and long term benefits for you and your business.

Not only do valued staff feel 'wanted' and 'appreciated' but in turn they become an invaluable part of building your business and its success.

As Christmas fast approaches there is no better time to show your staff your appreciation for their efforts in the past year. Whether it's a gift, a lunch or a day out of the office, just making time to focus on staff can have enormous long term benefits.

Fringe benefits tax (FBT) is paid by employers on certain benefits they provide to their employees or their employees' associates.

Employers can generally claim an income tax deduction for the cost of providing fringe benefits and for the FBT they pay.

A fringe benefit is a benefit provided to an employee simply because that person is an employee and benefits can be claimed for a variety of reasons.

So here's some important information for you this festive season.

FBT can be claimed for the provision of entertainment. This means either entertainment by way of food, drink or recreation or accommodation or travel in connection with, or to facilitate the provision of, such entertainment.

Types of entertainment include: business lunches and drinks, cocktail parties and staff social functions.

Recreation includes: amusement, sport and similar leisure pursuits (for example, a game of golf, theatre or movie tickets, a joy flight or a harbour cruise).

Some steps to take if you provide food or drink or entertainment to employees include:

1. Determine whether the food, drink or recreation is entertainment.
2. Consider if an exemption applies.
3. Decide if you can reduce your FBT payable on the food, drink or recreation.
4. Keep appropriate records.
5. Calculate your FBT liability.

Gifts

Gifts and small incentives for employees that are under \$300 in value and are not frequently provided may be classed as a minor benefit by the Australian Taxation Office (ATO). A minor benefit is exempt from fringe benefits tax.

If a gift or small incentive is not defined as minor they are an expense benefit and subject to fringe benefits tax.

The ATO does not provide a precise definition but they do provide examples of what may or may not be classed as a minor benefit.

Some entertainment may be exempt from FBT. For example, food and drink provided to and consumed by current employees on business premises on a working day may be exempt.

A word from Director, Lisa Harris

Financial markets in 2012 have been much like a roller coaster. Up, down, fast, slow, the economy has provided some challenging times for many Western Australians.

At Desborough Accountants we hoped to have provided much needed financial assistance and advice to clients to ensure their sustainability through these difficult times. With parts of the world suffering great financial crisis, attempting to predict what lies ahead for Australia and our local economy is for the most part, particularly difficult.

What we do know however, is that by equipping all of our clients with the tools, knowledge and support they need to achieve their financial goals we keep our clients in good stead to ride through the economic uncertainty.

I am always eager to receive feedback from clients regarding their experience with us at Desborough and I hope that our regular contact with clients via our newsletter and website facilitates enough opportunity to keep clients up to date in a variety of areas.

A big thank you also goes to the team at Desborough. The difficult economic times have at times made our jobs challenging, but together we have provided the highest possible level of financial services for our clients.

The opening of our Mandurah office and the continued growth of both Kalamunda and West Perth have provided us with exciting opportunities to entrench ourselves in the various local communities.

I look forward to continuing those relationships in 2012 and to strengthening them through ongoing communication and assistance.

Once again, thank you to our loyal clients and I look forward to seeing you all again in 2012.

I wish each of you and your families a safe and happy Christmas and a prosperous new year.

Lisa Harris, Director

Self-managed super funds

Managing your own super is a big responsibility. Super is meant for your retirement, so there are special rules about how it's managed and when you can get it.

Anyone considering setting up or joining a SMSF should equip themselves with as much knowledge as possible before making a firm decision.

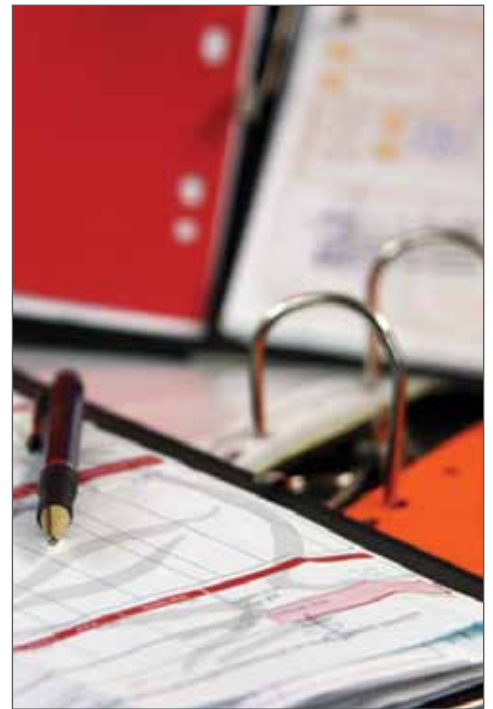
If you want to manage your own super, there are many factors you need to consider. To work out whether an SMSF is right for you, it's important you take the following six steps:

1. Consider your options and seek professional advice.
2. Ensure you have sufficient assets, time and skills to manage your own fund.

3. Follow the super and tax laws and understand the risks.
4. Tailor your trust deed and investment strategy to suit the members of your fund.
5. Be sure you can meet your record keeping and reporting obligations.
6. Make sure you understand your annual auditing obligations.

There are strict rules that govern how you can use an SMSF and how you can invest your money. It can be complex and confusing, so at times you might need to consult with professionals and advisers, which can add to the cost of managing your fund.

If you'd like to know more about Self-Managed Super Funds contact your Desborough Accountant.



Stay smart online this festive season

The internet has become an essential tool for conducting local and international business.

While the internet is the most convenient way of shopping for many of us at this time of year, its convenience also comes with many dangers, mostly surrounding the security of your personal information.

The 'Gadget Guy', Peter Blasina gave his top tips for staying safe online this Christmas, for more information go to www.staysmartonline.gov.au

1. Install and renew your security software regularly.
2. Set automatic updates on your operating system software.
3. Think carefully before you click on links or attachments.
4. Regularly adjust your privacy settings on social networking sites.
5. Report anything online that makes you uncomfortable.
6. Stop and think before you post photos or any financial information.
7. Use strong passwords and change them twice per year.
8. Talk within your family about good online safety.

Space to lease

Desborough Accountants have two areas available to lease, to anyone requiring a West Perth office.

We are located in the heart of West Perth at 1161-1165 Hay Street and the hustle and bustle of the business world around us provides an excellent setting for a new or established business.

We have 45sqm downstairs, or 95sqm upstairs, at Desborough House.

The cost is \$260sqm plus GST and outgoings. Car parking bays are also available.



Desborough during the Festive Season

Desborough Accountants will be closed on Friday 2nd December for the annual staff Christmas Party. The office will officially close for Christmas on Friday 23rd December at 12pm and will reopen on Monday 9th January 2012.