

December 2020 - Season's Greetings!



We hope you're able to take some time for rest and relaxation this summer. After the year we've all had, it's important to recalibrate, reconnect, and create a positive mindset for 2021.

Enjoy your time with family, friends, the summer sun, and copious amounts of pavlova.

Merry Christmas from the team at Blackburne Group

Beware What You Sign!?

A recent experience highlights the need to check carefully any documents you might sign. A client was changing financiers. We had checked the existing loan documents to confirm no penalties applied. However as the client had arranged the finance through a finance broker they had previously been presented with a one-page terms of trade with the broker which, amongst other things, entitled the broker to receive their commissions should the loan be terminated early.

This document had just been included with extensive other finance documentation provided to the client, with no explanation and, contractors being contractors they had just signed everything where told and returned so they could get their money/machinery. Understandably extremely annoyed at the lack of disclosure and outcome.

Lessons from this experience that apply to ALL our clients are:

- If using finance brokers understand the terms of trade and where necessary question whose interests they may be acting in.
- YOU need to understand the effect of all documents that you are signing, if in doubt take appropriate advice, or better still phone us for clarification.



All of the major NZ banks will stop taking cheques at some point next year:



Kiwibank has already stopped

ANZ will stop accepting cheques by 31 May 2021

Westpac will stop accepting cheques by 25 June 2021

BNZ has said it will phase out cheques by July 2021



How to update your Junk/Spam so legit emails can get through

Email **addresses** and domain names in the **Safe Senders List** are never treated as junk email, regardless of the content of the message. You can **add your contacts** and other

correspondents to the **Safe Senders list** to confirm you'll always receive their messages in your inbox.

Newer Outlook versions

To add people to your **Safe Senders List**, do the following:

On the **Home** tab, click **Junk**, and then click **Junk E-mail Options**.

On the **Safe Senders** tab, check the **Automatically add people, e-mail to the Safe Senders List** box

You may receive a txt message from Inland Revenue saying-

"Hi IRD here. Need help to get on top of your tax bill? It's easy to set up a repayment plan. Find out how at ird.govt.nz/instalments or call us on 0800 951-758"

The IRD are sending text messages to myIR customers with low levels of debt onwards from the 10th of December. This campaign will include clients of tax agents (that's us) with 3 or less outstanding returns.

The amounts due will relate to any account type except student loans or child support, be over 60 days old and between \$200 and \$10,000.

Customers who are inactive or have debt that is already under arrangement have been excluded from the campaign.

If IRD contacts you please email the full details to us and we will review and respond appropriately, including letting you know whether you really do owe tax. We would like to know the time and details of the sender.

If you don't get a txt message from IRD—then you can ignore this message from us.....

INVOICING

We're modifying the layout of our tax invoices and statements that we email to you as from next year. We'll make clearer the options on how to pay your account with us.

The options will show as:

Internet Banking

Monthly Direct Debit

Credit card

Cheques for a while longer

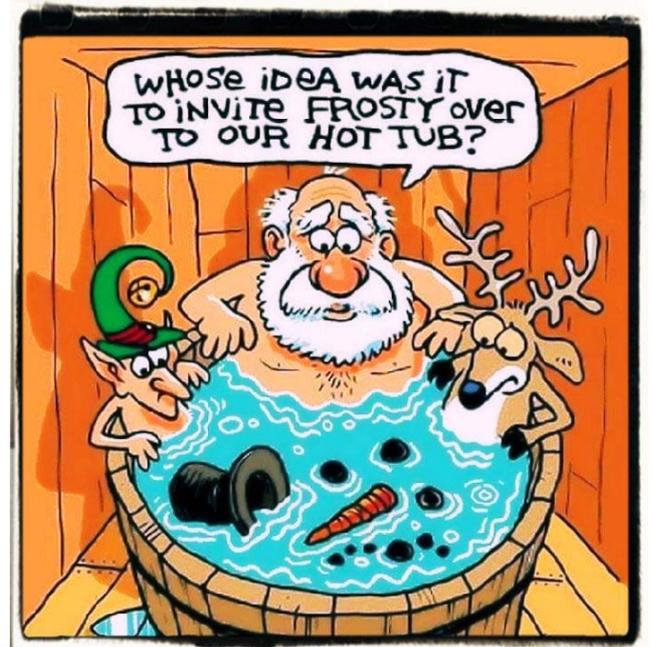
Fee Funding - a loan that's frees up cashflow

If you're having difficulty paying our account, please make contact with us. We're happy to discuss repayment options with you.



Inland Revenue

Te Tari Taake





COVID-19 Updates to Support for Businesses

Proposed Business Support Package Announced

The Government has proposed a package to support businesses and individuals in the event of Alert Level escalations due to resurgences of COVID-19 in the community. The package retains some key existing financial support and adds new elements based on experience and business feedback. This allows businesses to plan knowing what support they will receive if Alert Levels rise to 2 or above and they are directly impacted.

This support will be available late February or early March 2021 subject to the necessary legislation being passed.

Small Business Cashflow (Loan) Scheme changes

On 9 November 2020 the Government announced changes to the Small Business Cashflow (Loan) Scheme.

The changes included:

- No interest will be charged if the loan is repaid within two years previously this was one year.
- From 9 November 2020 the restrictions on what the loan can be spent on have eased so that the loan can be spent on investments to help businesses adapt to the impact of COVID-19.

In addition, applications for the loan can now be made until 31 December 2023, an extension of three years.

Existing borrowers will start receiving their updated Terms and Conditions from Thursday 17 December, accompanied by a letter outlining the changes

Business Finance Guarantee Scheme

More small and medium-sized businesses may be eligible for the Business Finance Guarantee scheme, with a simplified and expanded scheme now in place. Participating banks can provide new loans, increased limits to existing loans or a revolving credit facility to eligible businesses. The scheme supports banks to take on lending by government taking on the default risk of up to 80% of the loan.

Changes to the scheme mean the loans can be used for capital purchases and projects in response to or recovery from COVID-19. This means businesses can use the credit, for example, to modify their premises to operate at different alert levels. Additional changes to the scheme have made it available to larger businesses (revenue up to \$200m) and offering a higher lending limit (\$5m).

The Crown has also clarified that it will guarantee its share of any loan without a personal guarantee – though banks make their own lending decisions and may have their own requirements. Borrowers are still liable to pay the loan back in the usual way.

Talk to us and we can assist with finance applications and cashflows the banks may require.

Hot of the press (17 Dec 2020) The revised Government scheme includes more flexibility and extends the deadline for applications from 31 December 2020 until 30 June 2021.

ACC History of New Staff—A MUST

If you recruit your own staff, it is essential that you get as much information from a prospective employee as possible before you commit to employing them...

ACC form 6213 is a Pre-employment check – a request for ACC claims History is a useful form that you can download from the internet and request any new or prospective employee to complete and sign, as part of your recruitment process. (If the employee refuses to complete and sign the form, and you still wish to employ them, its always a good idea to minute their response, in case any future claims are made).

The ACC 6213 form can then be emailed to ACC and they in turn will provide you with information about whether the employee has had historic claims with them.

Using this form could save you both hassle and money - if an employee makes a claim on you, for what was an historic injury, whether it be work-related or not.

Employees can be a valuable asset to your business, but they can also be an expensive liability!!!

ACC6213 (doublechecknz.co.nz)



Tight cash flow in January? Provisional tax doesn't have to be part of the problem.

Through our partnership with Tax Traders you can defer your 15th January 2021 provisional tax payment to as late as June 2022. It's low-cost with rates typically under 3.5%, fully IRD-approved and no security or disclosures are required. It's a great way to get some breathing space and keep cash on hand to support your business over the holiday period. We can get this underway for you in a matter of minutes. Talk to us to find out how easy it is.

Tax letters have been emailed to you —talk to us if you haven't received this yet and you think you should be paying provisional tax on 15th. ps check your spam (see article re spam in this newsletter)

Ease the burden of 15th January provisional tax

Relax at the beach instead.



New ways to communicate with staff

If you're assembling a wooden kitset table, would you prefer to watch a video demonstration, read instructions or diagrams, or talk to someone who'd done it before? How you best learn could influence the way you're delivering information to your team. To make sure you cover all your teams' learning needs, pick a selection of these communication approaches:



Visual: Learn by seeing

Charts, graphs, flow charts, lesson outlines, picture aids, and symbolic arrows, circles, hierarchies, and other devices used instead of words.



Aural: Learn by hearing

Reading aloud, verbal instructions, discussions, repeating to a colleague, oral feedback, email, phone conversations, texting, discussion boards, oral presentations, classes, tutorials, and talking with other students and teachers.



Read/write: Learn by reading and writing

Manuals, reports, essays, assignments, PowerPoint, lists, diaries, dictionaries, quotations and words, words, words...



Kinaesthetic: Learn by doing

Demonstrations, simulations, videos, and movies of "real" things, as well as case studies, practice, and applications. If it can be grasped, held, tasted, or felt, it will resonate!

New Privacy Act 2020

Came into law on 1st December 2020

The Privacy Principles include:

Collecting personal information

Holding personal information

Using and disclosing personal information



An employer must take steps to protect information it holds about its employees from inappropriate access by other employees and must properly investigate any complaints about breaches of privacy and release information about employees to them when they request it.

Be very careful when you give a verbal reference check for employees who have left your employment and there was a settlement signed off by a mediator that was to remain confidential between the parties. You can't give any information to the new employer's request that MUST remain confidential per the settlement agreement. If the prospective new employers ask a question you think will breach the agreement—Just say "I can't answer that" as a response.

When entering into a record of settlement it is important that employees and employers understand what the terms mean, and how to comply with them. Failure to do so may result in expensive enforcement action by the affected party.

Update - Annual Accounts and Tax returns to 31 March 2020

We are a bit behind where we would aspire to be at this time of the year with thanks to Covid, urgent bank refinancing needs for clients (due to Covid) and a change of accounting software for us. We apologise if you are waiting on your accounts and tax to be started. We will endeavor to catchup in the New Year.



"CHRISTMAS IS A SEASON NOT ONLY OF REJOICING BUT OF REFLECTION"

-Winston Churchill

We wish you Happy Holidays and health, wealth and happiness in the New Year ahead.

Our offices (Taupo and Whangarei) will close at 3pm on 23 December 2020 and reopen in the New Year on 13th January 2021.

Disclaimer

This publication has been carefully prepared, but it has been written in general terms only. The publication should not be relied upon to provide specific information without also obtaining appropriate professional advice after detailed examination of your particular situation.