

May 2024 Newsletter



3 COMMON ACCOUNTING MISTAKES (AND HOW TO AVOID THEM)

Starting a business can be a challenging experience, especially when it comes to managing your numbers and staying on top of your financial management.

Unless you've got some experience in finance, the bookkeeping and accounting requirements can be quite daunting. And even with today's helpful cloud accounting platforms, there's always the possibility of making a simple accounting mistake.

So, what are the most common accounting mistakes made by business owners? And what can you do to avoid these pitfalls and keep your finances looking healthy and shipshape?

'Doing the books' is unlikely to be your favourite part of running a small business. But the better your accounting know-how and skills, the more oversight you have over the financial path (and future success) of your company. It really is that simple.

But there are plenty of traps that a newbie owner can fall into – and even a few hurdles that the more experienced business owner may trip over from time to time.

Let's take a look at the 3 most common accounting mistakes:

1. Mixing your personal and business finances – when you don't separate your personal and business transactions, this blurs the lines and makes it difficult to track your income and expenses accurately. It can also lead to personal spending being counted as business deductions, causing tax issues later on.

Solution: Open separate business and personal bank accounts and keep them entirely separate and distinct.

2. Skipping the record-keeping process – if you fail to keep receipts, log your invoices and keep proper records this can be a major problem further down the road. Detailed records are crucial for tax filing, budgeting and identifying spending trends.

Solution: keep digital copies of all receipts and be sure to keep your bookkeeping up to date and well-managed. We can help with hubdocs or show you how to attach the receipt to your xero transactions.

3. Miscategorising your expenses – throwing all your expenses under 'miscellaneous' makes it far harder to analyse your spending and cashflow. With every item of expenditure logged under a specific code from your Chart of Accounts, you can quickly run reports, review your spending and look at ways to improve budgets and cashflow.

Solution: Categorise your expenses properly (fuel, R&M, supplies, wages etc.) to understand where your money goes.

You didn't start your business to spend hours working on your bookkeeping and accounts. Why not outsource your key accounting tasks to us, and put those hours back into your business.

As your accounting partner, we can:

- Show you how to clearly separate your personal and business finances
- Set up your bookkeeping to be as streamlined, automated and efficient as possible
- Show you the best software tools and processes for managing your expenses
- Provide reporting, management information and advice to guide your decision-making

Get in touch today with your manager

Great news for hardworking families! Starting July 1st, parents can get up to 25% of their (ECE) fees reimbursed, up to \$75 per week. Eligible families earning up to \$180,000 can apply, with details available on Budget Day, 30 May 2024.

New Childcare Credit to Ease the Burden for Hardworking Families

Great news for hardworking families! Starting July 1st, a new credit aimed at easing the cost of early childcare education (ECE) is here, thanks to Finance Minister Nicola Willis. This initiative is designed to help parents and caregivers manage the rising costs of living, especially when it comes to childcare expenses.

What's the Deal?

Parents and caregivers can now receive a partial reimbursement for their ECE fees. You can get back up to 25% of your weekly fees, with a maximum of \$75 per week. This move is part of a broader effort to support families struggling with high costs in housing, food, and, of course, childcare.

Why is This Important?

The cost of ECE can be a significant barrier, especially for families with two working parents. For many, it can be the deciding factor in whether the second earner can afford to stay in the workforce. The FamilyBoost credit aims to make it easier and more worthwhile for families with young children to continue working, by providing direct assistance with ECE fees.

Who is Eligible?

FamilyBoost is available to all families earning up to \$180,000 a year who have childcare costs. However, to ensure the support reaches those who need it most, the maximum repayment amount will gradually reduce for families earning more than \$140,000. Inland Revenue (IR) will calculate eligibility based on your household income over the past three months.

How Does It Work?

To make things smooth and hassle-free, ECE invoices will be submitted directly through IR's online system, myIR. Parents and caregivers can submit their invoices every three months and receive their FamilyBoost refund as a lump sum. Start collecting your invoices from July 1st, so you can apply and get refunded from October 2024.

Next Steps

IR will be working closely with ECE providers to ensure they are ready to support families in accessing FamilyBoost. Full details, including how to apply, will be available on Budget Day, May 30, 2024.



PAYROLL updates from Katya

The adult minimum wage increased by .45c an hour to \$23.15 from the 1st April 2024.

The starting out and training minimum wage rates have also gone up to \$18.52 per hour.

Employers who pay their employees by the day, week, or fortnight, or pay them an annual salary, need to make sure employees are paid at least the minimum wage, appropriate to the basis on which they are paid. Additional time must be paid at least \$23.15 per hour.

The short-lived fair pay agreements act was repealed on the 20th of December 2023. Employees and employers are now encouraged to work together to agree to fair employment terms.

From 23rd December 2023, all employers are now allowed to use 90-day trial periods for their new employees. Previously, this was only available for employers with less than 20 staff.

If you are hiring anyone on certain work visas, you still need to consider any immigration requirements relating to trial periods.

From 1st September 2024, the Living Wage hourly rate is increasing to \$27.80 per hour.

If you have any payroll queries, give Katya a call on ext 816



Mini Budget December 2023

A reminder that the Government announced tax proposals as part of its December mini-Budget and these were **enacted on 28 March 2024**:

1. Returning the bright-line test to a two-year period from 1 July 2024
2. Removing depreciation deductions for commercial and industrial buildings from 1 April 2024.
3. Restoration of interest deductibility on residential rental properties;
2024/2025 tax year 80% deductible
4. Personal income tax cuts applying from 1 July 2024
5. Trustee Tax Rate increase to 39c for Trustee income of more than \$10k from 1 April 2024

TAX TO PAY?

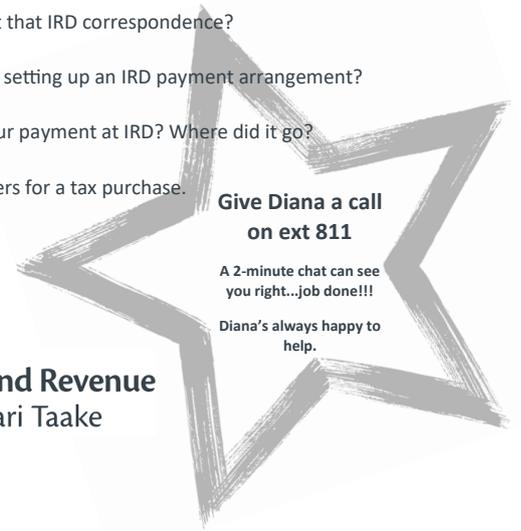
We are here to make your life easy!!

- Got a tax payment that you're just not sure about??
- Can't figure out that IRD correspondence?
- Need help with setting up an IRD payment arrangement?
- Can't locate your payment at IRD? Where did it go?
- Using Tax Traders for a tax purchase.

Give Diana a call on ext 811

A 2-minute chat can see you right...job done!!!

Diana's always happy to help.



Xero file library

If you are a xero user with a xero login you can access your file library.

Your xero file library contains an inbox and contracts folders. You can add any additional folders you need.

To access the files area, go into your xero, click on your organisation name, then select files; select a folder to upload the file to; click upload file and the document will appear in the folder.

If you're interested in learning more about this, contact Dru on ext 809



We're helping fund breast cancer research and supporting patients by hosting a Pink Ribbon Breakfast

Come Together for Good



ASB Scams and Fraud tips

DO NOT

- open attachments from people or organisations you do not know
- write down or share passwords, PINs or personal information

If a scam has happened

- Change your PINs and passwords
- **Immediately** Contact your bank and police and inform them of the scam or fraud.



Get to know the Blackburne Group Team

Each newsletter we'll profile two team members.

This time we introduce you to:

Mark Jenkins

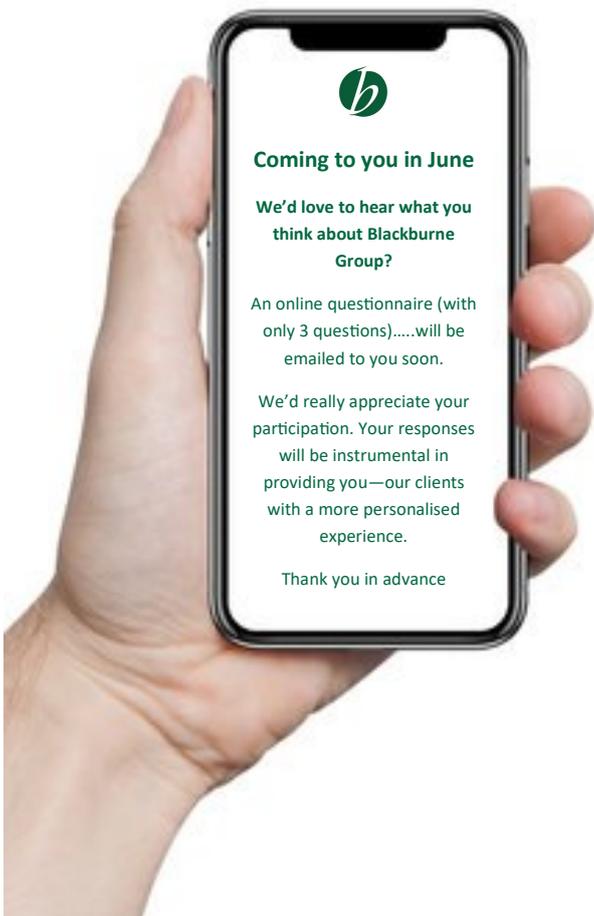
Mark has lived in Taupo for nearly 30 years and has been with the Blackburne Group since 2000. He has been involved with the installation, maintenance and upgrading of the computer systems for Blackburne Group, as well as other companies and businesses in Taupo. When not working, Mark likes to spend time with friends and family and has a wide range of hobbies.

You can contact Mark on ext 801

Anita Bron

Originally from Wellington Anita moved here 16 years ago and has spent 15 of those years at Blackburne group. She is a busy mum of two young girls. Anita and her husband have a mechanic business so on Friday's you can find Anita in the workshop office. In her free time Anita loves hanging out with her family, going for walks along the lake and catching up with friends over a glass of wine. The family now have 2 little kittens that are keeping them all entertained.

You can contact Anita on ext 817



Mark Jenkins



Anita Bron

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.