

Your COVID-19 checklist

Immediate business actions for a safe and successful restart

As we enter the next phase of the COVID-19 pandemic, businesses need to be ready for the aftershocks of the crisis. Transitioning into the “next normal” will require a review and reboot of operational plans and capabilities. The speed and steps needed to restart will be different for each business sector and region. This checklist focuses on the key actions that will help you to adapt quickly and efficiently.

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Your action	Resources
<p data-bbox="204 629 916 696">Government stimulus payments - tax planning and financial reporting</p> <p data-bbox="204 734 1031 808">The information below is a high-level summary of some of the key points. As with any government measures, it's important to seek advice on the detail and how the measure affects your circumstances.</p> <p data-bbox="204 846 424 871"><u>JobKeeper payments</u></p> <p data-bbox="204 873 1007 947">Has your business accessed the Federal Government's JobKeeper Payments? As a unique package, these payments will have a significant impact on both your tax planning and financial reporting.</p> <p data-bbox="204 981 316 1005">Key points</p> <ul data-bbox="252 1043 1011 1218" style="list-style-type: none">— JobKeeper payments are considered assessable income and are therefore taxable.— You should carefully consider the timing of when JobKeeper payments are assessable, based on the specific circumstances of your business.— In regard to financial reporting, JobKeeper payments should generally be disclosed as 'other income' and treated in a similar way to government grants. <p data-bbox="204 1256 948 1305">Find out more - Refer to page 3 of our <u>COVID-19 Tax Planning and Financial Reporting Guide</u>.</p> <p data-bbox="204 1341 373 1366"><u>Cash flow boost</u></p> <p data-bbox="204 1368 1011 1442">While a welcome cash injection for many businesses, the cash flow boost represents another unique transaction which will affect both your financial reporting and tax outcomes.</p> <p data-bbox="204 1476 316 1500">Key points</p> <ul data-bbox="252 1538 979 1666" style="list-style-type: none">— Cash flow boost payments are considered non-assessable non-exempt income and are therefore not taxable.— In regard to financial reporting, the cash flow boost should generally be disclosed as 'other income' and treated in a similar way to government grants. <p data-bbox="204 1704 948 1753">Find out more - Refer to page 4 of our <u>COVID-19 Tax Planning and Financial Reporting Guide</u>.</p> <p data-bbox="204 1789 429 1814"><u>Instant asset write-off</u></p> <p data-bbox="204 1816 987 1890">The Federal Government has increased the instant asset write-off threshold from \$30,000 to \$150,000 and expanded access to include businesses with aggregated annual turnover of less than \$500M (up to \$50M).</p> <p data-bbox="204 1924 316 1948">Key points</p> <ul data-bbox="252 1986 967 2036" style="list-style-type: none">— To be eligible for the write-off in this financial year, ensure that eligible assets have been bought and installed ready for use by 30 June 2020.	<p data-bbox="1058 651 1342 770"> READ: <u>COVID-19 Tax Planning and Financial Reporting Guide</u></p>

- While the instant asset write-off will result in accelerated depreciation for tax purposes, it will not necessarily result in accelerated depreciation for accounting purposes. Instead, the asset will generally be depreciated for accounting purposes over its useful life.

Find out more - Refer to page 4 of our [COVID-19 Tax Planning and Financial Reporting Guide](#).

[Accelerated depreciation](#)

If you don't qualify for the \$150,000 instant asset write-off, you may still be entitled to claim an accelerated 50% tax deduction for the cost of new depreciable assets purchased between 12 March 2020 and 30 June 2021.

Key points

- To be eligible for accelerated depreciation in this financial year, ensure that eligible assets have been bought and installed ready for use by 30 June 2020.
- While the accelerated depreciation will result in the asset being depreciated quicker for tax purposes, it will not necessarily result in an acceleration of depreciation for accounting purposes. Instead, the asset will generally be depreciated for accounting purposes over its useful life.

Find out more - Refer to page 5 of our [COVID-19 Tax Planning and Financial Reporting Guide](#).

How to be ready for the next IPO window

If you're considering a public offer, now is the time to assess your timeline and readiness. Preparation is key to being ready to take advantage when the market bounces back. An IPO readiness plan can take between one to two years to pull together. Get your financials and fundamentals in the best shape and enhance your readiness by checking:

- Do you have mature accounting and reporting processes? Can you produce timely and reliable financials?
- Do you have vigilant governance and compliance structures to meet public company requirements?
- Do you have the bandwidth and resources to handle expected growth? Is your IT infrastructure scalable?
- Have strong is your operational resilience? Do you have the internal controls to mitigate future risks?

What can you apply from COVID-19 changes that has improved processes? What lessons can be learnt from industry peers?



READ:

[The journey of a tech company to IPO](#)



WATCH:

[For funding insights - StartUp Daily: VC investment landscape \(starts 20.44\)](#)

New registration system for Directors

Every Director will need to register to receive a unique Director Identification Number (DIN) – expected to come into effect early 2021. The new system has been introduced to tackle phoenix activity and drive more efficient and cost-effective insolvencies. Any directors and companies not complying with the new regime may face criminal and civil penalties. There will be a 12-month transition period where:

- existing directors will need to register within the period prescribed on the announcement
- new directors will need to register within 28 days of their appointment

After this transition period ends, new directors must apply for a DIN prior to being appointed. The DIN regime will also extend to directors of foreign companies registered in Australia.

Directors should also ensure they're aware of the [Safe Harbour Framework](#) and understand the options for turnaround strategies. While directors have been given a [six-month reprieve](#) from any personal liability for trading while insolvent, this is not a 'free pass'.



READ:

[New Director Identification Number \(DIN\)](#)

ATO integrity measures - Superannuation

The ATO has confirmed they may enforce integrity measures where they find individuals who have applied for the COVID-19 temporary early release of super (i.e. \$10,000 for FY2020 and FY2021) and plan to re-contribute the amount to superannuation and claim a personal tax deduction. The ATO may take action including reversal of any tax benefit gained, and application of penalties and/or interest. More details on the integrity measures and examples can be found on the [ATO website](#).

Don't miss other key EOFY super deadlines:

- **Concessional super contributions** - you may be eligible to contribute more than \$25,000 in 2019/20 if you made concessional contributions of less than \$25,000 in the 2018/19 year and your total super balance was less than \$500,000 on 30 June 2019
- **Non-concessional contributions (NCCs)** - If you're over 65 you could bring-forward the \$300,000 limit but to the extent it doesn't breach the 'total super balance' cap (currently \$1.6M measured at 30 June of the previous financial year)

Minimum pension payments - If you're in retirement phase, ensure you satisfy the minimum pension drawdown requirement by 30 June 2020 (the account based pension minimum requirements were halved for the 2019/20 financial year).

Three-way cash flow forecasting

As you review your businesses post-pandemic plans, maintaining visibility and control over cash flows and working capital is fundamental.

A three-way cash flow forecast provides a comprehensive way to predict your future cash position by combining three key financial reports:

- Profit and loss statement
- Balance sheet
- Cash flow report



READ:

[The importance of cash flow forecasting and 'how to' during COVID19](#)

NSW small business grants

Applications open for the \$3,000 Small Business Recovery Grant on 1 July. You can apply via Service NSW website - deadline is 16 August.

To be eligible, you need to meet the criteria below:

- Have an Australian Business Number as at 1 March 2020 registered in NSW
- Have total Australian wages below the NSW Government 2019-20 payroll tax threshold of \$900,000 as at 1 March 2020
- Have less than 20 Full Time equivalent staff (including non-employing businesses) as at 1 March 2020
- Have an annual turnover of more than \$75,000 as at 1 March 2020
- Have experienced a decline in turnover of at least 30 per cent from March to July 2020 compared to the equivalent period (of at least two weeks) in 2019
- Are in a highly impacted industry as at 1 March 2020 (Due to COVID-19 Restrictions on Gathering and Movement Order 2020)
- Have costs from 1 July associated with safely re-opening or scaling up their business

Small businesses affected by drought or natural disaster or not in operation 12 months ago but commenced operations prior to 1 March have alternative time ranges for comparing the decline to turnover to turnover.



READ:

[Take advantage of grants, subsidies and support](#)

[Read the previous Checklist here >](#)

Latest news & additional resources

- [COVID-19 video series: Kick start your business](#)
- [Your Business Revival Guide](#)
- [EOFY Tax and Accounting Revival Guide](#)
- [Practical steps to avoid personal liability](#)
- [How a disaster recovery plan can help you adapt quicker](#)
- [International tax in the time of COVID-19](#)
- [Australian Stimulus Package FAQs & Latest Business Actions videos](#)
- [Western Sydney Business Connection & Manufacturing Opportunities](#)

We're here for you

While the impact of COVID-19 is being felt in Australia and across the world, we're well placed to help you through this challenging time. We've supported our clients and community through times of change for over 125 years. COVID-19 represents another seismic change; one we're ready to tackle head on. With a history of evolution, William Buck continues to grow and adapt to provide the best advice and services we can to our clients in the middle market.

Our team are 'all in'. They're working tirelessly to support clients through this time and to bring you the latest news and advice. Should you need any additional support, please contact your local advisor.