

BetterYour weekly checklist

Immediate business actions to help you navigate COVID-19 implications

Our weekly checklist provides a concise summary of the immediate actions you need to take to ensure your business can adapt and restart quickly when the crisis is over. Decisions you make now could have a permanent impact on your business.

Edition 5 | 4 May 2020

Your action

JobKeeper Payments Extension

Extension available up to 8 May

The Australian Taxation Office (ATO) has extended the time available for businesses to pay their employees, and still be able to claim back the first JobKeeper payments. You now have until the 8 May (originally 30 April) to make your first payment. Of course, the employees must have been engaged by the business during the relevant fortnight. Enrolment for April 2020 continue to be open until 31 May 2020 – but delay in enrolment will also mean a delay in receipt of the JobKeeper reimbursement.

If the ability to finance JobKeeper Payments is a problem, the big four banks are fast tracking applications from businesses in relation to the package - see below hotline numbers for assistance.

Decline in turnover tests

Cash vs Accruals

The ATO has released further guidance on the basic decline in turnover test to clarify whether GST turnover should be calculated on a cash or accruals basis. In short, you can use either method, irrespective of the method adopted in your activity statements. However, if you use a method that differs from the one used in your activity statement, the ATO may seek to understand your circumstances to ensure that the calculation achieves an appropriate reflection of your turnover.

Alternative test for Service Entities

The Government has released an alternative decline in turnover test for service entities. While the test may be relevant to many entities, its scope is notably narrower than some had anticipated. We recommend you speak to your William Buck advisor if you think this test may be relevant to your circumstances.

Charities to exclude Government revenue

The Treasury have made changes to allow charities to exclude prescribed government revenue from the JobKeeper turnover test. This will increase the likelihood of eligibility for charities whose services are highly funded by the government.


The one in all in principle


The Government has confirmed that all employees of a participating entity must be given the opportunity to agree to be nominated for the JobKeeper Package.


Employing 16 and 17 year olds

The rules have changed in relation to 16 and 17 year old employees. In some cases, the change will be prospective. Please contact your William Buck advisor if this issue is relevant to you.

Resources

 **WATCH:**
[JobKeeper Payment passes Parliament](#)

 **WATCH:**
[JobKeeper Package decline in turnover alternative tests](#)

 **READ:**
[JobKeeper Program Startup-specific issues and FAQs](#)

 **READ:**
[What startups need to know about the JobKeeper 'alternative test' to qualify](#)

Why you should look at R&D right now

The impact of COVID-19 has many organisations looking at ways to diversify or improve efficiencies of their current operations. The R&D Tax Incentive is a generous broad-based entitlement program that can help you with the development or improvement of products or services. It can provide a boost to innovation by providing a cash rebate of up to 43.5 cents for every dollar spent on R&D activities. Designed to offset some of the costs of doing R&D, the program is open to firms of all sizes in all sectors who are conducting eligible R&D.

The R&D Incentive deadline for 2018-2019 financial year has been extended to 30 September 2020 (previously 30 April). This lodgement extension is automatic.

Tip: Look at [R&D financing to provide cash flow relief](#). If you don't have access to funds or cash flow to invest now, there are external leaders who could lend funds to the business secured against the forthcoming R&D Tax Incentive, thereby providing a mechanism to access R&D tax incentive benefits in advance, within the year in which the eligible expenses are incurred.



READ:

[Thriving through quarantine](#)

Key deadlines and tips

JobKeeper Package:

- To claim Job Keeper in respect of April 2020, you need to enrol by **31 May 2020** (extended from 30 April 2020). *Please ensure that bank account details on the ATO portal are correct.*
- Payment of first two fortnights of JobKeeper to employees has been extended to **8 May 2020**.
- [Xero](#) has updated their software to accommodate the extensions noted above.
- [MYOB](#) has updated their instructions for process JobKeeper Payments.
- From 4 May 2020 start completing Steps 2 and 3 via the ATO Portal – i.e. identify eligible employees with the ATO and provide monthly turnover data to the ATO.

ASIC Lodgement:

ASIC have extended lodgement deadlines for entities required to lodge annual financial statement for years ended 31 December 2019 and 31 March 2020.

Superannuation:

- If relevant, apply for the superannuation guarantee amnesty by 7 September 2020.
- To avoid sever penalties and receive the benefits of the Amnesty, you must make voluntary disclosure by 7 September 2020 - it is highly unlikely this date will be extended.
- Those affected by COVID-19 may enter deferred payment plans following negotiation with the ATO (however, a tax deduction will only be available for eligible payments made on or before 7 September 2020).

Small Business Grants:

- Applications close 4pm, Monday, 4 May 2020 for the [City of Parramatta, Small Business COVID-19 Response Grant](#).
- Applications are still open for the \$10,000 [NSW COVID-19 Small Business Support Grant](#). Apply via Service NSW website.

Instant asset write-off - and 50% accelerated deduction:

- If you're a large business or multinational group, check you're under the \$500M turnover threshold.
- Identify assets acquired since 12 March 2020.
- For eligible assets you're seeking to claim the immediate asset write off, consider what you can do to ensure the asset is installed ready for use on or before 30 June 2020, merely placing the order or paying for the asset will not be sufficient.



READ:

[JobKeeper Payment for Employers FAQs](#)



WATCH:

[Superannuation Issues for Employers](#)



READ:

[FAQs on Australian Government economic response to COVID-19](#)

For the instant asset write-off, consider whether a large order costing more than \$150,00 can be said to be comprised of a series of assets each with a cost less than \$150,000.

Bridging finance hotlines:

The below hotlines have been established by the 'Big 4' banks dedicated to employers to call in relation to accessing bridging finance.

Westpac - 1300 731 073
NAB - 1800 562 533 (1800 JOBKEEPER)
CBA - 13 26 07
NZ - 1800 571 123

[Read last week's checklist here >](#)

Latest news & additional resources

- [Latest Business Actions video - Changes to bankruptcy laws](#)
- [Some considerations for SMSF landlords providing rental relief during COVID-19](#)
- [Blanket restrictions on all foreign investment amid COVID-19](#)
- [The rise and rise of cyber and privacy](#)
- [Updated ASX measures to assist with capital raising during COVID-19](#)
- [Australian Stimulus Package FAQs & translated announcements](#)
- [Western Sydney Business Connection & Manufacturing Opportunities Resources](#)
- [FAQs & latest legal news - Force majeure interpretation and drafting tips](#)
- [COVID-19 Business hibernation strategies](#)
- [Federal Government releases commercial tenancies code of conduct](#)

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.

For the latest COVID-19 updates, visit our [Resources Page](#).