
Your *Pathway* TO A **BETTER** *Practice*
▶▶▶▶ AND A **BETTER** *Life*



5 on the Fly Friday

keeping you informed, inspired & balanced



The new year is an opportunity for you to reset your practice and life goals. Let's go!!
Here's this week's "5 on the Fly Friday" to keep you informed, inspired and balanced.

What I've Been Reading

Will you be increasing your fees from 1 July 2022?



Hannah Tattersall, the editor of CA Magazine Acuity picked up my recent commentary I shared in this newsletter and on LinkedIn a couple of weeks ago about pricing and she asked me to expand on some of the points and create an article.

Given it's a topic I am very passionate about and I want all small and solo accounting practices owners to be remunerating themselves more appropriately, I'd like to share with you more compelling reasons to give you the confidence to increase your fees from 1 July.

Here's my tips:

1. Reframe your thinking - don't let this opportunity go by!
2. Think about staff remuneration - create and nurture a winning culture
3. Crunch the numbers - your 2022/2023 budget, charge rates and minimum fees

Here's some insights I have been sharing of late about Australian salaries:

- The ATO's 2022 graduate program offers a starting salary package of more than A\$75,000 (A\$65,609 plus 15.4% super). Upon successful completion of the program, employees will advance to a minimum of an APS 4, which has a total remuneration package of more than A\$84,000 (A\$73,086 plus 15.4% super).
- An AFR article in February of this year cited an example of an intermediate accountant recruit being paid A\$90,000 at a mid-sized suburban accounting firm, compared with the market rate of A\$70,000, which would have been on offer two years ago.
- In a 2001 Institute of Chartered Accountants of Australia (ICAA) Salary Survey, the income of a partner in NSW was up to A\$200,000. In a 2021 CA ANZ remuneration survey, it had dropped to around A\$124,000.
- SalaryBand is reporting that the annual salary of an accounting firm partner ranges from A\$132,000 to A\$238,000.
- Business Fitness, which publishes The Good, the Bad and the Ugly of the Accounting Profession Report, has been using a notional partner's salary of A\$200,000 for as long as I can remember.

"I dare say over the past few years you have most likely been absorbing increased costs – not to mention giving away much of your time and valuable advice for free."

[Read my Acuity article](#)

[Grab a copy of my 2022/2023 Pricing Guide and Menu of Services](#)



ATO Tax Professionals Webcast - 2022 Tax Time

Yesterday I had the pleasure of being on the panel for the ATO's Tax Professionals Webcast, weaving some of my practice management tips to help agents get through tax time with less stress and more balance!

The hour long webcast was hosted by Ben Lurje, ATO Director, I was joined by the following ATO experts:

- Kath Anderson, Assistant Commissioner, Intermediaries Engagement and Support, Individuals and Intermediaries, ATO
- Andrew Watson, Assistant Commissioner, Small Business Experience, Small Business, ATO
- Tim Loh, Assistant Commissioner, Individuals and tax time spokesperson, Individuals and Intermediaries, ATO

In our session we covered:

- What's new from 1 July
- Supporting tax professionals and small business

- Work related expenses and claims for working from home
- Crypto assets and capital gains tax
- Rental income and deductions
- Small business income and deductions; and
- Other key updates

If you were unable to attend live and are interested in watching the recording, the link will shortly be available.

I understand that you won't all have time to go back to watch the recording so I'd love to share 3 of main items I spoke about.

Strategies to assist with work life balance for tax professionals

- Take some time to assess exactly where you are at
- Think about why you started your practice in the first place and is what you are doing now achieving that – more money, more flexibility (doing things your way), more freedom and spare time
- If the answer to no, it's time to reset and the pandemic and the current economic client is the perfect excuse!! A few things that have helped my clients that have felt overwhelmed, stressed and not being financially and emotionally rewarded have been:
 - Analyse your client base and move some on – say 15-20% of your non ideal clients that you don't enjoy working with, cost you money, cause you stress – you know the ones, always late bringing their work, tardy in paying you, don't follow your advice, demanding. We would do this each June but because we were really selective with the clients we took on, it was literally less than 10 each year.
 - Look at your pricing and set minimum fees – this will make it easy to quote and invoice and will take the emotion out of the process for you. Take on the mindset that "this is the price for me to make a good income, pay my staff well, invest in time saving technology and to reward me for my skills, experience and the risk I take"
 - Plan out your capacity and your annual workflow – When in practice I would schedule my annual FS & ITR compliance work to be done between July and Feb and the remainder of the year was free for March BAS's, FBT, tax planning and practice planning. Of course I was still lodging stragglers on 15 May but it was manageable and stress free
 - Set rules and boundaries about your availability, work patterns, work hours and schedule into your diary non-negotiable time for you to look after your own wellbeing and to spend time with your friends.

Record keeping approaches recommended for your clients

Firstly impress on your clients the need for substantiation and by failing to keep receipts it means that you can't maximise their refund or minimise their tax payable.

It's all about education and giving them easy ways that eventually become good habits.

For individual clients

- I would send an email in June talking about tax time, what was on this year's ATO's hit list and accompany all that with a questionnaire that clients had to complete. I would encourage them to spend some time going through questionnaire capturing details of the receipts that they had saved and thinking about whether there was more. This meant that they could go find them before our meeting or before they sent their info in.
- Over the years I have provided them tax envelopes, tax plastic folders and in later years would encourage them to upload their receipts progressively during the year to our client portal.
- Some of things I suggest today is to create a Tax Time 2022 email folder and file receipt emails there or encourage clients to use the myDeductions tool on the ATO's App.

For business clients

- My non negotiable was that clients had to be using an online accounting program and would encourage them to only pay for expenses from their business account or credit card.
- In my days we didn't have receipt capture apps, so I would get clients to file their receipts in a lever arch folder in month order. This made it easier for them to find receipts for me at BAS and tax time and if they wished they could simply bring that quarter's folder in.
- These days I would be encouraging clients to use receipt capture apps. I personally use MYOB's capture app but there's also Dext and Hubdoc.
- Accounting software and receipt capture apps will cost your client money but it will also save you time and time's money! If you were to charge for all of your time (which many of you don't) your clients will be way in front and it's simply a cost of them doing business, it will keep them on the good side of the ATO and they will have better quality financial information in from of them to make informed business decisions!

And finally, don't forget the Tax time toolkits and occupation guides. They are invaluable resources.

Questions I recommend agents ask their clients when they are claiming deductions to avoid need for amendments and a later "blame game!"

Most agents do the right thing and I believe because of our honesty and integrity we naturally believe that our clients are honest too.

My advice is not to take everything they say and provide you at face value.

We need to do checks and balances to ensure they aren't trying to pull the wool over our eyes because if they do get an audit guess who they will try and blame!

It's probably best to give some examples of anomalies that I uncovered over the years:

For business clients

- clients that give you their income and expenses on a sheet of paper or in an excel spreadsheet – ask to see bank statements and do a quick add of deposits of an income nature to see if they add to the income figure provided or (I had a client omit about 3 months of income to stay under \$75K) in the case of tradies ask them to give you a breakup of income with date, invoice number and amount (I discovered a few invoice numbers missing that may have been paid with cash)
- run some of the ATO benchmarks to establish whether clients are within the normal ranges. I have run these and found some outside the range for legitimate reasons and we would then document this in the event of an audit
- pause and take a look at the bottom line profitability – is this sufficient to support your clients' lifestyle and personal expenses. Let's face it, we are often friends with our clients on social media and we see those fab photos with all the new toys and the jetsetting!

For individual clients

- clients that give you expenses but the credit card details are all different (I discovered work colleagues were all sharing the same receipts for tools)
- for rental properties ask for loan statements and not just rely on annual interest figures – you would be surprised how many loan drawdowns for personal expenses I discovered and then had to pro-rata interest moving forward
- another one for rental properties look at delivery address for air conditioners, carpets, tiles etc. as quite often it is for the taxpayers PPR.

With this extra education and questioning it sends a message of warning to your clients. It will only ever be offensive to ones that are trying things on and the ones that want to do the right thing will respect you even more as you do your bit in creating a more level playing field.

This week's Practice tip



Tax Time 2022



Just a reminder about the ATO's [Focus areas for Tax Time 2022](#) which I encourage you to share with your clients in meetings, in your newsletters and on your social channels.

- Record keeping – share the ATO's reminder PDF with your clients on [Records you need to keep – set the record straight.](#)
- Work-related expenses – remind your clients of the ATO's 3 golden rules for claiming a work deduction.
 - You must have spent the money and you weren't reimbursed
 - The expense must directly relate to earning your income
 - You must have a [record](#) to prove it (usually a receipt)
- Rental property income and deductions – share the ATO's [Rental properties repairs, maintenance and capital expenditure factsheet](#) with your clients who needed to make repairs to their rental homes this year, so they know what records to provide to you this tax time.
- Share with your investor clients this [ATO podcast episode](#), which highlights what the ATO are looking at this year when it comes to properties, shares, micro-investments like exchange traded funds (ETF) and other investments.
- Capital gains tax from crypto assets, property and shares – share the ATO's new [video explaining capital gains tax \(CGT\) events](#) with your clients so they are aware of when they need to provide you information to calculate capital gains or losses.

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What's on Next week



Some R & R is on the agenda for me next week and I will also be ensuring any last minute 2022 Tax Time Bundle purchases are delivered pronto.

Here's the [link](#) to grab yourself a beautiful and professional looking bundle before I take the offer down until May next year.

Here's what Anjie said about her bundle this week

I just purchased a 2022 Tax Time Bundle. I was really amazed to see the resources inside that. Amanda, it was just the bomb! I can see all the handwork that goes into it and it's truly. I am so pleased that I bought it. Thank you very much.

I have already booked some business travel in for December 2022 and June 2023 so I will be able planning out my year and my goals for the next 90 days - think social media planning, The Balanced Firm masterclass guest speakers, my CA Discussion group speakers and so much more.

Until next time, keep well and keep balanced and here's to a fun, rewarding and profitable year for us all!

Amanda

PS If you are active on social media, let's connect!



Everything you want is out there waiting for you to ask.
Everything you want also wants you.
But you have to take action to get it.

Jules Renard





2022/2023 Pricing Guide and Menu of Services

a collation of nearly 70 of the most common services accounting practices provide. I share the fees I charged back in 2016/2017 (which was my last year in practice) which my clients happily paid and have indexed them to the year 2022/2023 and added a few tweaks here and there.

What you'll get:

- ✓ Enter your current pricing
- ✓ With your rates and mine side by side, set your fees
- ✓ Quote, engage and re-engage with confidence, ease and greater profitability
- ✓ I've included a professional letter to help you communicate and explain your fee increases to clients that you may like to use in it's entirety or as inspiration for your own.

Click [here](#) to purchase via my website - \$197

Click [here](#) to purchase via The Balanced Firm - \$167



2022 Tax Time Bundle

client questionnaires, pricing list and guide for basic ITR fees, short form engagement letter, email scripts, workpapers, front cover, logbook.

What you'll get:

- ✓ ITR Practice Workpaper (Excel & PDF)
- ✓ ITR Client Questionnaire (Word)
- ✓ Rental Property Client Questionnaire (Word)
- ✓ ITR Master Fee Schedule & ITR Fee Request Schedule (Excel)
- ✓ Tax Return Front Cover (Word)
- ✓ Logbook (Word front cover and inserts)
- ✓ Rental Property Income and Expense schedule (Excel)
- ✓ Rental Property CGT schedule (Excel)
- ✓ New Client Information and ITR Terms of Engagement (Word)
- ✓ Fact Sheet – ATO Proof of Identity Check Requirements (Word)
- ✓ Fact Sheet – Private Health Insurance Rebate (Word)

All documents come as a bundle personalised with your logo and brand colours. If you are wanting the hard work done for you, this is a no brainer!

Click [here](#) to purchase via my website - \$597

Click [here](#) to purchase via The Balanced Firm - \$547



Community Subscription

For less than \$1 per day join other small & solo accounting practice owners for collaboration, conversation and support within a private community. With added perks of masterclasses, zoom sessions and resources for practice management.



Courses & Resources

Online, self paced and DIY courses some of which are available all year round and others that are released to coincide with cycles of the accounting year. Perfect for small and solo accounting practice owners who need assistance in particular areas of their practice.



Mastermind Group Coaching

Join a focused, motivated capped group of practice owners just like you! Create the management structures, systems and learn strategies to take control build a profitable business you love. Be kept accountable & get results faster!



1 on 1 Accelerator Coaching

The ultimate back stage pass to Amanda's experience and expertise in finding your practice sweet spot faster! Create sustainable structures & strategies to ensure you prosper financially & design a life you love. Very limited spots.

[IN A PICKLE? | Book a Strategy Call](#)





I bring together
small and solo accounting practice owners
to
 master their practice management skills and to take control of their practices and their lives through community conversation, courses, group coaching with peers and 1 on 1 accelerator coaching.

so that we can all

- ▶ have fun rewarding and profitable practices
- ▶ the confidence and courage to make decisions aligned to our individual visions and
- ▶ enjoy guilt free time away from our practices.

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