



# RUNNING YOUR COMPANY

*A brief introduction for new company directors.*



# NEW BUSINESS INCORPORATION

## STEP 1:

*a) Sign the "minutes" for your company - all directors to sign. Keep signed documents together with your company "constitution" and "certificate of incorporation". It should be kept at the company's Registered Office address.*

*b) Execute the constitution of the company by signing the last page of the document titled "constitution". It needs to be witnessed by a 3rd party. This can be done in our office for your convenience.*

**STEP 2**

Set up a company bank account. You will need the company certificate of incorporation and the executed constitution. You may also need to provide your company's TFN and ABN (we will set these up for you immediately after incorporation).

**STEP 3**

Decide on your record-keeping method. You can choose something as basic as excel, or as comprehensive as Cloud accounting software. You might want to engage a bookkeeper to help you if you have a large amount of transactions.

**STEP 4**

Set up a workers' compensation policy if you are going to pay wages from your company. Workers' Compensation is compulsory in NSW for employers who pay more than \$7500 per year in wages - this includes wages to associates/directors.

# SUPERANNUATION

If you are going to pay \$450 or more per month in wages to an individual over the age of 18, you need to pay 9.5% superannuation on the gross wage.

Superannuation must be paid through SuperStream using a clearing house. The ATO provides small businesses with a free clearing house service called the 'Small Business Superannuation Clearing House'. This is an excellent service, easy to set up and use, and is highly recommended.

If an associate of the company has a Self-Managed Superfund, there is no need to use a clearing house to make contributions. It can be paid directly to the SMSF bank account.

## SUPER DUE DATES

**Quarter 1 Due:**  
**28th July**

**Quarter 2 Due:**  
**28th October**

**Quarter 3 Due:**  
**28th January**

**Quarter 4 Due:**  
**28th April**



# BUSINESS ACTIVITY STATEMENT

- *If you have registered for GST then you will have to report on a Quarterly basis to ATO (unless your income is under \$75,000 and you opted for Annual BAS reporting)*
- *The BAS includes the total income your company received during the period, as well as GST on income, expenses and any wages you paid and tax withheld.*

# 3 WAYS TO PREPARE & LODGE YOUR BAS



## **Register Auskey**

If you want to prepare and lodge the BAS yourself, you will need to register for the ATO business portal access.

<https://bp.ato.gov.au/>



## **Tax Agent**

If you wish for us to prepare and lodge your BAS you will need to send us your income & expense details at the end of every reporting period.



## **Email Form**

If you wish to prepare the BAS yourself but have us lodge it for you, you will need to email us the complete BAS data each quarter.

*For companies lodging BAS quarterly, here are the reporting periods and their due dates:*

Period	Due Date
Q1: JUL - SEP	28TH OCTOBER
Q2: OCT - DEC	28TH FEBRUARY
Q3: JAN - MAR	28TH APRIL
Q4: APR - JUN	28TH JULY

*For companies lodging BAS Annually, the BAS is due at the time that the company tax return is lodged. Company returns are generally due in May of the following year, however if you want the exact due date, please contact us. Extensions for lodgment may also be granted in certain circumstances.*

# ANNUAL COMPLIANCE

*The financial year starts on 1st July and ends on 30th June.*

*At the end of the financial year, the company needs to lodge a company tax return. Financial Statements also need to be prepared in conjunction with the tax return, and an Annual Payment Summary Statement needs to be submitted to ATO.*

*If the company is in the construction industry, there is an additional compliance requirement to submit a Taxable Payments Annual Report.*

*On the anniversary of the company's incorporation, an Annual Fee must be paid to ASIC (within 2 months of the anniversary date). The directors must advise ASIC of any changes to company details within 28 days of the change.*



# COMPANY FUNDS

*Funds in the company bank account belong to the company and can only be taken out under certain conditions. The main withdrawals of funds from the company include:*

*\* Payment of business expenses including wages to employees (non-associates)  
– this includes reimbursement of expenses to associates (e.g. paying for business expenses from a directors' personal credit card)*

*\* Payment of wages to associates*

*\* Payment of dividends (franked or unfranked)*

*\* Payment of Tax and GST to ATO*

*\* Purchase of assets*

*\* Payment of Loans*

*Loans to associates of the company are subject to specific treatment under Division 7A of the Income Tax Assessment Act 1936. If you have taken too much out of the company, you will need to pay it back either before the end of the financial year or before the lodgement of the tax return.*

# THANK YOU FOR YOUR TIME!

*Kindly get in touch to let us know if you have any questions.*

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