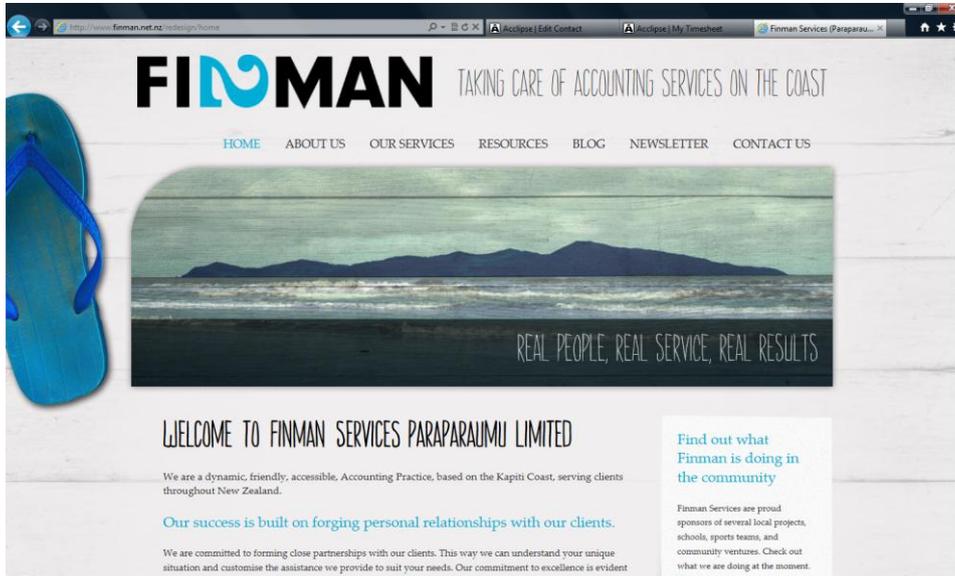


FINMAN

Newsletter December 2011



www.finman.net.nz

NEW LOOK WEBSITE!!!

The team at Finman are very excited to announce that we have recently re-launched our website!

Be sure to check it out – there are some great resources on the website... calculators, key dates, links, as well as staff profiles and community work carried out by Finman.

Risk and Reward

Holiday pay - best practice

Kiwi businesses, especially those involved in contracting and service industries, often close for annual holidays just prior to Christmas and re-open in the New Year. Many businesses encourage their staff to take leave over the festive season 'when things are quiet'. Staff employment agreements will include provision for staff to take at least part of their annual leave during this close-down period. The calculation of holiday pay is an integral part of employees' final pay for the calendar year.

Employees are entitled to receive their pay for annual leave before they commence their leave. This provision provides an employee with money to pay for travel and accommodation.

Calculating pay for statutory (public) holidays

1. **'Relevant daily pay'**: Find the amount of pay that the employee would have received if he or she had worked on the day concerned.
2. **'Average daily pay'** is used when using relevant daily pay is not possible or practicable or there is variation in the daily pay during the pay period when the holiday occurs. Calculate gross earnings for the 52 weeks before the end of the immediately preceding pay period and divide by the number of whole or part days during which the employee earned those earnings including days of paid holiday or leave.

In the case of employees who have commenced employment during the year, their average weekly earnings are calculated by taking the amount of their gross earnings from starting work until the last pay period before the holiday and dividing that amount by the number of weeks worked. For examples on holiday pay please visit the Department of Labour's website:

<http://www.dol.govt.nz/>

Pay calculations can be complex especially when employees receive allowances, (e.g. travel) and have deductions made (e.g. KiwiSaver, student loan) so contact us if you need assistance in getting these important calculations right.

Year end Computer Detox!

By December most computers are feeling the effects of over-indulging. Perhaps not on Christmas wine and chocolate but as the result of viruses, document hoarding and other accumulative hangovers. Detox your computer to get it working faster, safer and more efficiently.

- Clean it. Literally. You'll be amazed what appears when you tip that keyboard upside down (only use anti-static wipes or a soft brush. NOT water!)
- Remove clutter, delete unwanted documents off the desktop and tidy up your folder structure
- Remove any programs that are no longer required
- Empty your recycle bin!
- Check that all necessary updates have been installed
- Is it time to look at upgrading to Microsoft Office 2010 or 365...?
- Update your security passwords
- Double check your antivirus protection is up to date and won't expire while you're on holiday
- Make sure your firewall is active
- Perform routine backups of all files and settings
- Archive files offsite

Finman Services launches Smart Software Solutions!

www.softwaresolutions.net.nz



Smart Software Solutions is your friendly office software provider on the Kapiti Coast. Specialising in Xero Accounting Software installation and training, we also have a team in place to tackle online marketing campaigns, social media, and a full office software service.

Smart Software works entirely in the cloud so you can access your office from anywhere at any time. Give us a call if you think any of these Smart products can help your business.



Xero Run your business and accounts from work, home, on the go.

WorkflowMax Integrated online job management solution for Xero.

Unleashed Integrated online inventory software for Xero.

Microsoft Office 365 Work from virtually anywhere on almost any device.

Logical Solutions Fixed price agreements allow you to budget for ICT expenses

Google Apps Web based email, calendar, and documents for teams.

Acclipse Website Design Affordable yet professional design from the team at Acclipse

Search Engine Optimisation Simple and effective tips to improve your search rankings

Online Marketing & Social Media A tailored online marketing campaign to suit your business





The Kapiti Horowhenua Electra Business Awards 2011

Finman Services in conjunction with Xero Accounting Software were incredibly proud to recently sponsor the 2011 Electra Business Awards in the "High Growth Category". The category was suitably awarded to Tuatara Brewery who went on to win Business of the Year for 2011.

Tax Talk

Let us entertain you

Let's look at the tax treatment of saying thanks to customers and staff typically with gifts, wining and dining.

Inland Revenue's IR268 guide gives the following examples of where entertainment expenses are 50% deductible:

- Taking customers, suppliers and business associates out for dinner or putting on a function for them
- The traditional Christmas party for staff
- Shouting customers, suppliers and staff to an event, e.g. a rugby game or a show
- Taking them on a jaunt in your launch (running/hireage costs and food and alcohol)
- Giving them the use of your bach or time share apartment as a thank you gesture (the occupancy costs)

We've been asked 'why only 50% deductible?' Apparently it's because we get some personal enjoyment or benefit from quaffing a wine and tucking into a steak (too right!).

In lieu of a Christmas party you may give your employees restaurant vouchers to use at their discretion. This cost is fully deductible but is subject to fringe benefit tax (FBT), although there is an exemption of \$300 per employee per quarter (a maximum exemption can apply).

The same treatment applies to staff gifts, again fully deductible but subject to FBT under the 'other benefits' category.

As a thank you gesture many firms give their customers gifts during the festive season. The cost of the gifts is fully tax deductible as marketing and promotion expenditure.



Many firms pay their staff a Christmas cash bonus. These payments are classed as 'extra emoluments' and are fully deductible but have PAYE deducted at the employee's marginal tax rate e.g. 33% if earning over \$70,000 per annum.

If in doubt about where you stand tax deductibility-wise with your generosity to customers and staff, check with us and we'll help you get it right.

Christmas closing period

Our offices will be closed from:
5pm on **Thursday 22nd** of December 2011,
and we will re-open on **Monday 9th** of January 2012.

Moved House Recently??

A reminder if you've recently shifted, to update our office with your new address details. Also, a reminder that our details have changed, so please check that our details on the last page are the ones you're using.

'Tis the season to be jolly!

It's officially the silly season and you're probably faced with the dilemma of how to reward your team for their year's efforts. 2011 hasn't been easy but there are ways to make your team feel appreciated and boost job satisfaction without hemorrhaging cash.

Fun and fresh present ideas:

- A voucher for The Nile - NZ's biggest online book store
- Magazine subscriptions
- Get photos printed onto photo blocks or create a calendar online
- Send the girls off for a manicure
- Make your own gift baskets
- Secret Santa - cheesy but fun, and cheap!
- Make vouchers for an afternoon off to be used in December
- Hit Trade Me and source some retro desk ornaments, or wall hangings
- Organise a masseuse with a mobile massage table and treat everyone to a half hour de-stress
- Check out www.mrvintage.co.nz - for hilarious T-shirts to suit everyone



Frugal ways to treat the team and boost morale:

- Don't be a Grinch, a few decorations and a tree brighten the season spirit
- Take the team to a local walking track and enjoy the sights
- Organise a picnic at the beach
- Borrow a boat and head out fishing
- Arrange a potluck BBQ at your house
- Have you ever played a round of bowls?
- Take the team wine tasting at a local winery
- Surprise the crew with Friday sushi or pizza

Business Development Plans

Finman Services has undergone extensive rebranding in 2011, complete with the launch of our new website www.finman.net.nz

It has refreshed our enthusiasm, and we would love to help your business in the New Year.

Talk to us about how we can help with a structured Business Development Plan and Marketing Concepts to help you get ahead in 2012.



As another year draws to a close, we would like to sincerely thank you for your support this year.

To all of our wonderful clients and your families, we wish you a safe and happy Christmas, and look forward to seeing you all in the new year!

Jude & Denise

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.

FINMAN

44 Ihakara Street, PO Box 130, Paraparaumu
Phone 04 298 2551 Fax 04 298 2552
admin@finman.net.nz www.finman.net.nz