

IN THIS ISSUE:

- Merry Marketing For The Festive Season
- Understanding Salary Sacrificing for Charitable Donations
- Getting Ready for the Holiday Closedown Period
- Setting Clear Expectations For Out-of-Hours Contact During The Holidays
- Do You Have The Right To Disconnect In The Festive Season?
- Where Could You Find Extra Money For Super Contributions?
- Essential Business Accounting Tasks to Tackle in December
- Pre-Planning Your End Of Year



Happy Holidays

We would like to take this opportunity to wish all of our clients and their families a happy holidays.

We will be taking a short break over the Christmas period.

END OF YEAR UPDATE '24

THE END OF YEAR GUIDE FOR YOU & YOUR BUSINESS

thrive
advice

Merry Marketing For The Festive Season

The festive season can be a goldmine of marketing opportunities for the small business.

With some creativity, strategic planning, and a little holiday cheer, a marketing plan tailored for the end of the year can make the most of this time and provide interesting approaches.

Here are some marketing ideas to help your small business shine during the holidays.

1 CREATE FESTIVE PROMOTIONS AND OFFERS

Holiday-themed promotions are a great way to attract customers. Consider offering special discounts, bundles, or limited-time offers that align with the festive spirit. For example, you could offer a “12 Days of Christmas” sale with different deals each day or a New Year’s Eve flash sale to encourage last-minute purchases. Make sure your promotions are visible on your website, social media channels, and in-store to maximise reach.

2 HOST A HOLIDAY EVENT OR WORKSHOP

Hosting a holiday-themed event, whether in person or online, can create a buzz around your business. This could be anything from a festive workshop related to your products or services to a holiday party for loyal customers. Events allow you to engage with your audience, showcase your offerings, and build stronger relationships. If an in-person event isn’t feasible, consider hosting a virtual gathering, such as a live demonstration or Q&A session on social media. (cont. p2)

Thrive Advice



8 MCNAMARA ST
ORANGE
NSW 2800

EMAIL
hello@thriveadvice.com.au

WEBSITE
www.thriveadvice.com.au

TEL 02 6362 8255

CHARTERED ACCOUNTANT
Andrew Miller

CPA
Adrian Acheson

Thrive Advice - Business Advice and Accounting

Thrive Plan - Financial Planning & Retirement Advice

Business Support - Bookkeeping & Cloud Accounting Advice

3 COLLABORATE WITH OTHER LOCAL BUSINESSES

The holiday season is the perfect time to collaborate with other small businesses in your area. Joint promotions, cross-marketing, and co-hosted events can help you reach a broader audience. For example, you could partner with a neighbouring business to create a holiday gift basket featuring products from both stores or run a joint social media giveaway. Collaboration not only increases your visibility but also strengthens the local business community.

5 LEVERAGE SOCIAL MEDIA WITH HOLIDAY CONTENT

The holidays are a great time to ramp up your social media efforts. Share holiday-themed content that resonates with your audience, such as gift guides, holiday tips, or behind-the-scenes looks at how your business prepares for the season. Use holiday hashtags to increase visibility, and consider running a festive photo contest or counting down to the holidays. Engaging content can help keep your brand at the top of your mind during the busy season.

4 DECORATE YOUR STOREFRONT AND ONLINE PRESENCE

Decorate your physical store and enhance your online presence with holiday-themed elements to create a festive atmosphere that draws people in. A well-decorated storefront can attract foot traffic, while festive updates to your website and social media profiles can engage online customers. Add seasonal banners, update product images with a holiday twist, and incorporate festive colours and graphics into your branding.

6 SHOW APPRECIATION TO YOUR CUSTOMERS

The holiday season is an excellent time to show your customers how much you appreciate their support. Consider sending personalised thank-you cards, offering a special holiday discount for loyal customers, or hosting a customer appreciation event. A small gesture can go a long way in building customer loyalty and encouraging repeat business.

Implementing these marketing ideas can help your small business make the most of the festive season. By being creative, engaging with your community, and spreading holiday cheer, you can set your business up for a successful year-end.



Understanding Salary Sacrificing & Workplace Giving With Charitable Donations

Making charitable donations through salary sacrificing can be a smart and tax-effective way to contribute to causes you care about.

However, it's essential to understand how the tax treatment of these donations works to ensure you claim your deductions correctly.

WORKPLACE GIVING



SALARY SACRIFICE

If you've made donations through workplace giving or salary sacrifice arrangements with your employer, it's crucial to know that the tax treatment varies depending on the method used.

Workplace giving is a straightforward way for employees to regularly donate to charities or deductible gift recipients (DGRs).

A fixed portion of your salary is typically deducted from your pay and forwarded to the DGR. In this case, your gross salary remains the same, and the tax you pay each period may or may not be reduced, depending on your employer's payroll systems.

The key point is that you can claim a deduction for the total amount donated through workplace giving when you file your tax return. Your employer will usually provide a summary of these donations in a letter or as part of your payment summary.

In contrast, salary sacrifice arrangements work differently. Here, you agree to have a portion of your salary donated to a DGR in exchange for your employer providing benefits of a similar value. Your gross salary is reduced by the sacrificed amount, lowering the amount of tax you pay each period. However, since your employer is the one making the donation, you're not entitled to claim a deduction for this donation in your tax return.



Claiming Deductions for Donations

The rules are more straightforward for donations made outside the workplace.

To be deductible, donations must be made to DGRs and must be voluntary, meaning you give without expecting anything in return. The donation must also be \$2 or more to qualify for a tax deduction.

You can still claim a deduction if you receive a small token, such as a lapel pin or wristband, in return for your donation.

Always keep receipts for any donations made outside of

workplace giving programs. For donations of \$2 or more made through "bucket collections" by approved organisations, you can claim deductions for gifts up to \$10 without a receipt.

Be Aware of Non-Deductible Donations

It's important to note that donations made to many crowdfunding campaigns or websites may not be deductible because DGRs don't run them. Before donating, check whether the organisation is a registered DGR to ensure your contribution is tax-deductible.

Whether donating through workplace giving, salary sacrifice, or directly on your own, understanding the tax implications is vital. You want to ensure that your deductible donations maximise your tax benefits while supporting the most important causes.



If you have questions about setting up workplace giving, speak with your employer. They should be able to help you with this. For any other questions relating to donations and tax, speak with a registered tax adviser (like us).

Getting Ready for the Holiday Closedown Period

Ensuring a smooth holiday shutdown is essential for your business. With the right planning and clear communication, you can wrap up the year on a high note, leaving your business well-prepared to hit the ground running in the new year.



NOTIFY EMPLOYEES OF THE SHUTDOWN

It's essential to notify your employees formally of the holiday shutdown. Whether through a printed memo, email, or another method, providing written notice ensures clarity. Legally, you must give your employees at least 14 days' notice of the shutdown. Given how chaotic this time of year can be, it's easy for a quick conversation to be forgotten. A written notice helps your employees plan their holidays and proves adequate notice should any legal issues arise.



MAKING LEAVE ARRANGEMENTS EASIER

When planning the holiday shutdown, give plenty of notice to prevent staffing issues and conflicts over time off.

The end of the year can be financially stressful for employees, so addressing leave arrangements early on can help avoid potential disputes.

You might prioritise leave requests based on seniority, the order in which requests were made, or another system that works for your team.



CHECK OFF YOUR END-OF-YEAR TO-DO LIST

Returning to work after the end-of-year shutdown can be chaotic, especially if employees haven't completed key tasks before closing. To ensure a smooth transition back, consider the following:

- Notify clients of your office's closing dates and remind them that no one will be available during the shutdown.
- Set up call diversions or vacation responders for emails so clients know when to expect a response.
- Wrap up any ongoing projects before leaving to avoid a backlog when business resumes.
- Clean the office, including clearing the fridge, removing the rubbish, and turning off appliances to prevent unpleasant surprises when everyone returns.

By taking these steps, you can ensure a well-organised holiday shutdown period, leaving your business in an excellent position to start the new year smoothly.

Setting Clear Expectations For Out-of-Hours Contact During The Holidays

Employers and employees should openly discuss expectations for out-of-hours communication to balance the right to disconnect with workplace needs.

Having these conversations beforehand ensures that both parties are aligned, particularly during busy times like the festive season.

1. Clarifying Monitoring and Response Expectations

Employees should know when they are expected to monitor or respond to after-hours contact. For example, a technical engineer might not need to check emails but could be required to answer emergency calls during a critical issue.

2. Compensation and Conditions

Discuss any entitlements related to out-of-hours availability, such as additional pay or allowances. Compensation should match the role and be outlined in contracts or relevant awards.

3. Preferred Communication Channels

To reduce disruption, agree on the best contact method - whether it's via a personal phone call or another preferred option - so employees can truly disconnect.

4. Review Arrangements Regularly

Out-of-hours contact expectations should be reviewed and updated regularly, particularly when employees' roles or work hours change.

Formalising these expectations through policies and role descriptions ensures clarity and reduces stress. Training managers and staff on navigating these discussions can further support a balanced work environment, even during peak periods.

Do You Have The Right To Disconnect In The Festive Season?

The introduction of the right to disconnect on 26 August 2024 marks a significant step toward ensuring that employees are protected from being required to engage in work communications outside of their designated working hours.

However, as the holiday season approaches, businesses and employees may wonder how this right interacts with the realities of the festive period, when businesses often need flexibility and emergencies may arise.

Let's explore the balance between employees' right to disconnect and reasonable reasons for communication during the festive season.

UNDERSTANDING THE RIGHT TO DISCONNECT

Under the Fair Work system, employees have the right to refuse to monitor, read, or respond to work-related communications outside of their working hours, unless the refusal is deemed unreasonable. This right extends to contact from both employers and work-related third parties. However, during times like the holiday season, certain factors must be considered when determining if a refusal is unreasonable.

Some of these factors include:

- **The reason for contact:** Is it truly necessary, or can it wait?
- **How the contact is made:** Is it a quick email or a disruptive phone call?
- **The employee's role and responsibilities:** Senior staff members may require more flexibility.
- **Personal circumstances:** Does the employee have family or caring duties during this time?
- **Compensation:** Is the employee paid for being on call or for additional hours?

These considerations help determine if expecting an employee to respond is reasonable.

REASONABLE CONTACT DURING THE FESTIVE SEASON

While the right to disconnect should generally be respected, there are situations where communication

might be necessary, especially in industries that face unique pressures over the holiday season. Here are some examples where contacting an employee could be considered reasonable:

1. **Unexpected Business Issues:** A restaurant owner might need to contact a manager to address a sudden staff shortage on Christmas Eve. Since this could directly impact operations, a quick response might be necessary to ensure the business can operate smoothly.
2. **Client Emergencies:** A small law firm might encounter a critical client matter that requires immediate legal advice before the holidays. In such cases, contacting the relevant employee, especially if they are a senior lawyer with the necessary expertise, could be justified.
3. **System Failures:** A technical glitch affecting an e-commerce platform during a holiday sale could require urgent attention from IT staff. Here, it's reasonable to expect IT personnel to respond to resolve the issue quickly, especially if the business's sales rely on that platform.

STRIKING THE BALANCE

While there are legitimate reasons for communication during the festive season, employers must balance the need for contact with respect for their employees' time off.

The right to disconnect ensures employees are not overwhelmed with work-related responsibilities during their personal time but also provides flexibility when genuine business needs arise.

By assessing each situation based on its urgency and impact, businesses can maintain a healthy work-life balance for their employees, even during the busiest times of the year.



Where Could You Find Extra Money For Super Contributions?

Planning for retirement is one of the most important financial steps you can take, and boosting your superannuation balance can help you secure a comfortable future.

While regular contributions through your salary are the norm, there are alternative ways to give your super a significant boost that might surprise you. Here are some creative strategies to consider.

REDIRECTING HOLIDAY SAVINGS

It's tempting to splurge on a lavish holiday, but consider the long-term benefits of redirecting some or all of that money into your superannuation instead. The power of compound interest means that even a modest contribution today can grow significantly by the time you retire. You can still treat yourself to a smaller getaway while giving your future a solid financial boost.

TAX REFUND CONTRIBUTIONS

When your tax refund arrives, it can feel like a windfall. Instead of spending it immediately, think about putting it towards your superannuation. This extra contribution could make a big difference over time, particularly if you make it a habit each year.

SELLING UNUSED ITEMS

Decluttering your home can be both freeing and financially rewarding. By selling items you no longer need—such as clothes, gadgets, or furniture—you could potentially use the proceeds to contribute to your super. It's a win-win: you clear out space in your home and simultaneously grow your retirement nest egg.

SALARY SACRIFICE

If you receive a bonus at work or a pay raise, consider salary sacrificing some of it into your superannuation. This is a particularly tax-effective strategy, as contributions made through salary sacrifice are taxed at a lower rate than your regular income. Over time, these additional contributions can significantly enhance your super balance.

USE EXTRA INCOME WISELY

If you have a side hustle or pick up extra work during busy periods, directing a portion of this income into your super can be a smart move. Since this is additional income outside your regular budget, it's an excellent opportunity to grow your retirement savings without feeling a pinch in your everyday finances.

SACRIFICING SMALL LUXURIES

Cutting back on small, regular expenses like dining out, expensive coffees, or entertainment can free up money you could contribute to your superannuation. These small sacrifices can add up quickly; over the years, the compound growth in your super can turn these savings into a substantial amount.

While enjoying life today is critical, balancing short-term pleasures with long-term financial security is vital.

By finding alternative ways to contribute to your superannuation, you can set yourself up for a more comfortable and stress-free retirement. Every little bit counts towards contributing to the power of your compound interest.



Essential Business Accounting Tasks to Tackle in December

The holiday spirit is in the air as the year winds down, and the office Christmas party is just around the corner.

But before you kick back and enjoy that well-deserved break, take a few steps to ensure your business is in the best possible shape to start the new calendar year.

STAY UP-TO-DATE WITH TAX AND LEGISLATIVE CHANGES

December is the perfect time to contact your accountant to review any upcoming tax and legislative changes. With frequent updates to taxation and super passing through the government, it's easy to miss something important while focusing on your core business activities. A proactive accountant will keep you informed about the changes most likely to impact your business, ensuring you're fully prepared for the new year.

ORGANISE INVOICES AND RECEIPTS

Before heading off on your holiday, make sure to gather all outstanding invoices. Whether you're waiting to be paid or owe others, it's essential to have everything settled before the year ends. Also, don't forget to collect and organise receipts for any business-related purchases. Having these ready will make the start of the new year smoother when it comes time to hand everything over to your accountant.

CONSIDER GRANTS AND ENTITLEMENTS

The end of the year is an ideal time to review potential grants or entitlements that might benefit your business. Many government and industry grants reset at the beginning of each calendar year, so getting your applications in now can set you up for a

financially rewarding start to the new year. A little preparation now could significantly boost your business's finances later.

REVIEW YOUR MARKETING AND BUSINESS STRUCTURE

Take stock of your business's performance over the past year. How well have you met your goals? If you're not where you hoped to be, now is the time to reassess your business structure and marketing strategies. A thorough review can help you identify areas for improvement and set the stage for achieving your business objectives in the coming year.

PLAN FOR YOUR RETURN AFTER THE HOLIDAYS

Before you close up shop for the year, take some time to plan your first week back. Create a list of tasks to tackle upon your return. This foresight will help you ease back into work mode more smoothly and ensure you're not overwhelmed when the new year begins.

SET NEW YEAR GOALS

Finally, sit down with your accountant to discuss your business goals for the upcoming year. Reflect on how far you've come and what changes are needed to maintain or accelerate your growth. Setting clear, achievable goals will give you a strong focus as you move into the new year.

By taking care of these essential tasks in December, you'll ensure your business wraps up the year positively and is ready to hit the ground running in the new year.

Pre-Planning Your End Of Year

As the year draws to a close, it's easy to get caught up in the festive spirit and overlook critical financial matters.

Although it may still be a few months away, now is a crucial time to review your finances and ensure that you're on track for the future. Let's have a look at some of those end-of-year concerns that can crop up

1. HOLIDAY SPENDING AND BUDGETING

The holiday season often increases spending on gifts, travel, and celebrations. Without a plan, these expenses can quickly add up and lead to financial stress in the new year.

- **Set a Budget:** Before the holiday rush, set a realistic budget for gifts, travel, and entertainment. Stick to it by tracking your spending and avoiding impulse purchases.
- **Consider Alternative Gifts:** If you're on a tight budget, consider thoughtful, less expensive alternatives like homemade gifts or experiences rather than material items.

(cont. p8)

- **Use Credit Wisely:** While putting holiday expenses on credit cards may be tempting, be mindful of your ability to pay off the balance. High-interest debt can become a burden if not managed properly.

2. TAX PLANNING AND DEDUCTIONS

The end of the year is a critical time to consider tax planning strategies that can help reduce your taxable income.

- **Maximise Deductions:** If you're eligible for deductions, such as charitable donations, document them and make any necessary payments.
- **Superannuation Contributions:** Consider making additional contributions to take advantage of tax benefits. This is especially important if you're close to the concessional contributions cap.
- **Review Investment Portfolios:** Assess your investment portfolio for potential capital gains or losses. You may want to sell underperforming investments to offset gains and reduce your taxable income.

3. YEAR-END BONUSES AND INCOME MANAGEMENT

If you are set to receive a year-end bonus, it's essential to manage it wisely to avoid unnecessary tax implications and ensure it supports your financial goals.

- **Plan for Taxes:** Remember that bonuses are often taxed at a higher rate, so set aside a portion of your bonus for tax purposes to avoid a surprise bill.
- **Invest in Your Future:** Instead of spending your bonus all at once, consider using it to pay down debt, contribute to your super, or invest in your long-term financial goals.
- **Review Your Withholding:** If your income has changed significantly during the year, review your tax withholding to ensure you're paying the correct tax amount.

4. INSURANCE COVERAGE REVIEW

The end of the calendar year is an excellent time to review your insurance policies to ensure that you have adequate coverage and are not paying for coverage you don't need.

- **Health Insurance:** Check if your health insurance plan meets your current needs. If your health or family situation has changed, consider adjusting your coverage.
- **Life and Disability Insurance:** Ensure that your life and disability insurance policies are up to date and that the coverage amounts reflect your current financial situation.

- **Property and Vehicle Insurance:** Review your home and auto insurance policies to ensure adequate protection. If you've made significant purchases or improvements, consider increasing coverage.

5. DEBT MANAGEMENT

Managing debt is always essential, but it's particularly crucial when holiday spending and other expenses can increase your debt load at the end of the year.

- **Pay Down High-Interest Debt:** Focus on paying down high-interest debt, such as credit cards, to reduce the interest you'll pay over time.
- **Consider Debt Consolidation:** If you have multiple high-interest debts, consider consolidating them into a lower-interest loan to simplify payments and reduce overall interest costs.
- **Avoid New Debt:** Avoid taking on new debt during the holiday season, especially if you're already carrying a balance.

6. SET GOALS FOR THE NEW YEAR

As the year ends, it's the perfect time to reflect on your financial progress and set new goals for the coming year.

- **Review Your Financial Plan:** Review your current financial plan and assess whether you can meet your goals. Make adjustments if necessary to stay on course.
- **Set Specific, Achievable Goals:** Whether it's saving for a down payment on a house, paying off debt, or increasing your retirement savings, set specific, measurable goals for the new year.
- **Create a Budget for the New Year:** Start the new year on the right foot by creating a budget that aligns with your financial goals. This will help you manage your money effectively and avoid unnecessary expenses.

The end of the year is a busy time, but it's also a significant opportunity to assess your financial situation and make any necessary adjustments.

Addressing these common end-of-year financial concerns can help you start the new year with confidence and a clear plan for achieving your financial goals.

