

Schools Tax Guide

What you need to know

Navigating tax matters in a changing environment can be seen as an intricate process for schools. We discuss the three key tax areas that could affect your school and explain how ShineWing Australia can assist with relieving the pressures associated with these issues.

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Fringe Benefits Tax

Fringe Benefits Tax (FBT) is a complex area when dealing with tax exempt organisations, such as schools.

In particular, entertainment can be a challenging area to work with as:

- the minor and infrequent benefits exemption is not available to tax exempt organisations; and
- the on-premises exemption is not available to tax exempt organisations.

Most organisations have documented policies and procedures in place for internal use that provides guidance on what constitutes entertainment for FBT purposes. ShineWing Australia's employment tax team has assisted many tax exempt organisations including education institutions with preparation and implementation of internal policies and procedures on FBT.

A 'FBT manual' is an easy to access guide that:

- provides a general guidance on FBT benefits
- sets out the school's position on FBT
- sets out whether the expenditure itself is allowable under the school's policies (regardless of FBT)
- acts a repository of various forms and declarations.



Payroll tax and superannuation review

The introduction of single touch payroll means that the ATO have real-time visibility and transparency over the data organisations are reporting. The ATO are able to pick up on errors more easily and a similar level of internal controls are expected from employers.



Payroll tax audits and superannuation reviews are also rising due to single touch payroll. Various data sets lodged across sectors are being examined by the State Revenue Offices and any anomalies are flagged promptly. Payroll tax payments to contractors have always been a complex issue and a favourite one for ATO and State Revenue Offices. Data matching identifies contractor engagements and highlights impacted employers to tax authorities for further investigation.



ShineWing Australia's data analytics capabilities will prove invaluable in situations like these to help quickly work through large amounts of data, including arrangements between principals and contractors. Our payroll tax experts can help to identify any potential risks that may cause an issue in a payroll tax audit.

GST governance

In a changing environment, it is more critical than ever to manage indirect taxes, with a focus on reducing risk and managing processes efficiently. In a digitalised environment, the increased prevalence of GST means keeping pace with the changes in GST rules can be difficult.

ShineWing Australia can provide expertise and processes that help to:

- reduce the risk of non-compliance
- reduce adverse impacts on cash-flow
- avoid penalties from tax authorities and large tax debts by identifying risks prior to any compliance activity by the ATO.

ShineWing Australia's GST team has assisted many organisations with GST governance procedures including data analytics, policy and procedure review.

Get in touch

Do any of these matters affect you? Reach out to one of our experts below for more information on how to navigate these tax issues for your organisation.



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