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Business Owners: Have You Tried These Money-Saving Hacks?

"Beware of little expenses; a small leak will sink a great ship." (Benjamin Franklin)

When a company is struggling with cashflow, or simply looking to improve profitability, the directors will often consider making grand sweeping changes like retrenching staff, slashing the marketing budget or even selling off resources. While this kind of kneejerk reaction can provide instant gratification, it may not be the solution to your long-

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term struggles. Cutting back on marketing might impact future sales, for example, and end up making things even worse.

That's why it's often a good idea to eliminate small expenses and wasteful expenditures, when you're looking to streamline cash flow. Here are five simple ways to save money that you may not have considered.

1. **Beware bank charges**

   How did your company open its first bank account? Why did you choose that particular bank? If you haven't thought about these things in a while, now's a good time to start. The first step would be comparing bank charges – how much are you being charged to transact, and could you be paying less? Your accountant can help you to break down your company's needs and find the best solution. Do you need to transact every day, or can you save money by paying off your creditors in scheduled payment runs? Would bundled services work better than transacting at will? How many credit cards do you need? Do you use overdraft facilities? The bottom line: stop paying for services you don't need.

2. **Trim the tech costs**

   Technology is essential for running a business, but do you need (or even use) everything you currently have? Costs such as software subscriptions, fibre lines and cell phone contracts should all be looked at closely. Do you need a 200Mb/s download or will a 50Mb/s work just as well? Which of your employees really uses their company phones to generate profit? Small businesses will even benefit from looking at their software licences. Many popular work solutions have free, open-source counterparts that work very well and don't require a monthly payment. Even if you decide you do need to pay for licences, you might be able to cut down on the number of licences.

3. **Exercise office efficiency**

   Monthly utilities may seem like something you can't go without, but it might be wise to reconsider. Have a look at your work arrangement. Could you operate a shared desk situation for hybrid workers? Have you considered installing flow restriction nozzles on bathroom taps, and LED bulbs in the light fittings? Reducing the size of your office space and then maximising the savings attained on the utilities can save thousands each month – money that could be spent on attracting new clients.

4. **Commit to your favourite vendors**

   In business, commitment can be a cost-saving. If you have regular suppliers you're happy with, why not speak to them about longer-term arrangements for cheaper monthly charges? Small business owners are particularly guilty of accepting supplier prices without considering the various ways these can be negotiated. Some of your suppliers might place great value on a one-year contract as opposed to a month-by-month one. Or they may be prepared to throw in free services in exchange for your guaranteed monthly spend. Ask your accountant to take a look at your current supplier arrangements and suggest alternatives and/or ways to reduce costs. It could have a significant impact.

5. **Adjust your payment and collection terms**

   Most big companies have their invoice payment and collection systems down to a fine art – but smaller businesses may not even think about them. Making sure that your creditors settle their invoices long before you need to make payments yourself allows you to benefit from the interest of having money in your account. It also ensures you never have to pay fines for missed payments or become overdrawn. As your accountants, we can help to streamline your payment and collection terms, and potentially achieve some significant savings.

The bottom line

Making cost savings doesn't need to mean losing clients, products or expertise. And the hacks above are just the tip of the iceberg – there are loads of other small ways to save money. Speak to us about taking the small steps to greater profitability.

How To Avoid an eFiling Profile Hijacking

"…it is vital that all stakeholders in the digital ecosystem, including the taxpayers, SARS, and the banks, work together to prevent and combat profile hijacking." (SARS)

The recent spike in the number of SARS eFiling profiles being hacked by cybercriminals should raise red flags for every taxpayer. It's got so bad that the Minister of Finance has given the Office of the Tax Ombud (OTO) approval to conduct a review of SARS' service failures in assisting taxpayers timeously with eFiling profile hijacking.

This is a type of cybercrime in which fraudsters use phishing, malware, or social engineering to access and modify your personal or professional profile on a digital platform like SARS' eFiling without your knowledge or consent.

Has this ever happened to you?

- You receive an email, SMS, or WhatsApp, seemingly from SARS, asking you to click on a link or attachment to update your profile, verify your information, or claim a refund. It appears legitimate, and not realising it's a fake, you just do as the message says…

- You receive a call from someone pretending to be a SARS official, asking you to confirm your personal details or to click on a link, and you do, not realising that it will install malware on your device…

- You are contacted by someone pretending to be a SARS official, offering you tax assistance or advice, and asking you to share your login credentials, OTP, or personal information with them, and you do…

Fraudsters use methods like these to trick you into revealing your login credentials. An alarming number of taxpayers have fallen victim to these unscrupulous predators, despite continuous system enhancements to secure and strengthen the security of SARS' channels.

What could happen if my SARS eFiling profile is hacked?

Fraudsters can access and modify your details (e.g. contact number, password) without your knowledge or consent – with serious consequences for your tax compliance and financial security.

They can then also change the bank details to divert a SARS refund due to you into their own accounts. And they can even submit fraudulent returns on your behalf to claim refunds!

How can I prevent profile hijacking?

Prevention is far better than cure. Here are a few pointers, direct from SARS.

- Use a strong and unique password for your eFiling profile. Change it regularly.
- Don't use the same password for other online accounts or services.
- Never share your login credentials, OTP, or personal information with anyone, even if they claim to be from SARS.
- If you hear about a security compromise at any organisation you deal with, immediately log in to your account and update your password.
- Always access eFiling through the official website (https://www.sars.gov.za) or the SARS eFiling mobi app.
- Do not click on any links or attachments in emails, SMSes or WhatsApps that claim to be from SARS, and never "confirm" or submit your login details after clicking on a link.
- Keep your computer and mobile devices updated with the latest security software and antivirus programs.
- **Activate multi-factor or "app" authentication on your eFiling profile.** This will authenticate you every time you log in by sending an OTP message to your registered mobile number or email address or requesting you to authorise the action via your mobile phone.

We can help to keep you safe

As your accountants, we are well versed in avoiding these scams. Whenever you receive communications that seem to be from SARS, simply contact us.

- We are alerted to all known scams claiming to be from SARS, so we can quickly help you to identify phishing attempts.
- We can check your eFiling profile and tax information regularly and report any discrepancies or unauthorized changes to SARS immediately.

- We constantly update our security details to ensure the safety of our profile and our clients' profiles.

In summary

SARS itself recognises that profile hijacking is a serious crime that harms taxpayers. But prevention is always better than cure. **Take proactive steps to protect your security and contact us whenever you receive communications that seem to be from SARS.**

Five Signs It's Time for a Rebrand

"Your brand is what other people say about you when you're not in the room." (Jeff Bezos)

You have a great product or service that fills a need. You are doing your marketing. Your accountant has helped you streamline your cashflow and provided you with your financial forecasts. You are well aware of the risks and challenges, but you are still not connecting with your customers. What could possibly be going wrong? There's a strong chance you may need a rebrand. Here are five signs that it's time to think of a brand refresh.

1. **Your business has changed**

   Growth is generally considered a good thing, but if you have grown too much you might have left behind the little brand you once were. Merging with competitors, bringing in new products and moving into new areas to seize opportunities can all result in your brand becoming muddled. If you've morphed into a jumble of different products, services and merged divisions it can become hard for your customers to work out exactly what you do. Now might be the time to bring everything under one new banner – or, alternatively, to split your brand into clearly identifiable offerings.

2. **You don't stand out from the competition**

   If you look up your services and see a multitude of similar companies, chances are your brand is not defined well enough. If your company looks just like the others in the same sector, then how will your customers know to choose you over anyone else? You need to show the market that you are different – and a well-articulated brand offering can do just that.

3. **Your business has suffered reputational damage**

   This is a tough one for leadership to admit. Did you get off to a bad start? Did something happen that put your company in the news for the wrong reasons? Were you caught up in something unsavoury that maybe you had nothing to do with? Or were the previous owners simply incompetent? If you answered yes to any of these questions, then it's definitely time for a brand refresh. Casting off the old image and adopting a new one is the quickest way to leave the past in the past – and it needs to happen urgently.

4. **Your poll results are confusing**

   The best thing you can do if sales aren't living up to expectations is to start asking people why. A simple poll that asks your clients, employees, friends and family what your company does and how it could do things better could be just what the doctor ordered. If the results are inconsistent, then you have your answer: it's time for a rebrand. Your brand narrative needs to be strong and focused if you want your audience to recognise your value.

5. **You have high employee turnover**

   We live in an age where employees want to work for companies they believe in. It follows, that companies with weaker brands and undefined missions can find it hard to hang on to talent. While South Africa's poor employment stats may mitigate this somewhat, a weak employer brand can also be identified by the way high-value candidates react to interviews. If you notice you're struggling to get your chosen candidates to sign on the dotted line, it may mean you haven't been able to communicate what you stand for – and they have decided to work for more attractive brands that they do understand.

The long and the short

If you notice one or more of these signs, it's likely your company may need a rebrand. And before you worry about freeing up the budget to make it happen, remember that we are here to help. **As your accountants, we can help you to find the funds required to shake up your brand and get yourself on the right foot again.**

Ready to Submit Your Interim EMP501 Reconciliation By 31 October?

"The interim reconciliation process has become an integral part of the employer reconciliation and assists employers…" (SARS)

Employers are assisted by the interim EMP501 reconciliation, says SARS, because it makes it easier to:

- make more accurate annual reconciliation submissions
- maintain an up-to-date employee database
- register employees for income tax purposes

Of course, there are other benefits, such as maintaining your compliant tax status, and avoiding wasting money on stiff penalties and interest.

It goes without saying that you want to reap all these benefits for your business. Allow us to help you to understand what needs to be done. We will be able to assist in ensuring a smooth, hassle-free submission process – even with the next deadline right around the corner.

EMP501 Reconciliation fast facts

- All employers are required to submit an EMP501 Reconciliation
- There are two deadlines in each tax year. For the 2025 tax year the deadlines are:
    - 31 October 2024 – 2025 Interim Reconciliation (for the period 1 March 2024 – 31 August 2024)
    - 31 May 2025 – 2025 Annual Reconciliation (for the period 1 September 2024 – 28 February 2025)

Potential pitfalls

The EMP501 Reconciliation is an intricate process which creates many opportunities for errors:

- Payroll information must be verified
- Correct deduction of employees' tax (PAYE), Skills Development Levy (SDL), and Unemployment Insurance Fund (UIF) contributions must be verified
- Deductions must reconcile with IRP5 / IT3(a) tax certificates
- Employment Tax Incentive (ETI) values claimed must be reconciled
- EMP201 returns must be reconciled with actual payments made to SARS
- EMP201 returns must be reconciled with EMP501 statements
- Employee information needs to be updated on eFiling
- Employees without tax numbers must be registered
- Employer's Reconciliation Declaration (EMP501) needs to be submitted via the eFiling website or the e@syFile application

This is an intricate and time-consuming process, and, as SARS puts it, "accuracy and timely filing are critical".

Consequences of non-compliance

This is serious business. Inaccuracies or late submission can result in severe consequences.

- Calculating PAYE liability incorrectly will result in the imposition of both penalties and interest. This includes corrections made on the EMP501 reconciliation, as any shortfall is attributed to the last month of the reconciliation period.

- If an employer submits their EMP501 late, administrative penalties will be charged. The penalty will equal 1% of the year's PAYE liability, increasing each month by 1% (up to a maximum of 10% of the year's PAYE liability).

- An employer who wilfully or negligently fails to submit an EMP201 or EMP501 return to SARS is guilty of an offence and could face a fine or imprisonment for a period of up to two years.

The bottom line

The penalties are stiff, and the submission process is fraught with opportunities for inaccuracies and errors. **We understand the importance of tax compliance to your business. And we have the expertise and experience to help ensure a smooth and stress-free submission for you.**

Your Tax Deadlines for October 2024

- 07 October – Monthly PAYE submissions and payments
- 21 October – End of filing season for individual taxpayers (non-provisional)

- 25 October – Value Added Tax (VAT) manual submissions and payments
- 30 October – Excise duty payments
- 31 October – VAT electronic submissions and payments, Corporate Income Tax Provisional Tax payments where applicable, and Personal Income Tax Top-up Provisional Tax payments.

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