



Self-Assessment: A Survival Guide for Accountants

So it's almost upon us – the tsunami that is the self-assessment season. In this practical guide we have once again assembled the collective wisdom of accountants far and wide, large and small. Their tips and advice have also been added to those of our technical team. The guide proved popular with our customers last year and so here is an updated version for the forthcoming Self-Assessment season.

Together we hope this gives you a range of practical ideas to consider that should make January a little easier for you.

To put things into context, typically just under 90% of all returns are filed online. The busiest days are usually January 30th & 31st January. On these days a significant proportion of all returns are filed – with the majority being filed in the hour before midnight on the 31st.

Tax Return tips

1. Preparation is key, so assemble all relevant information before you start. Motivate, cajole, reward and generally encourage your clients to get it in early. Sending out a tax questionnaire in good time can really help.

2. It is worth emphasising to clients the penalty regime for late returns and late payments. Remember there is an initial £100 fixed penalty for a return which is up to three month late (more if it's later) and these penalties apply even if there is no tax to pay, or if the tax due is paid on time!
3. As well as requesting current year data, ask for an estimate of next year's income – so you can assess whether or not an application for a reduction in payments on account is appropriate. Certain free apps, like the [BTCSoftware App](#) with its Calculations section, can help you to produce a simple forecast of current year income tax.
4. Compare the return with the previous year's to identify possible omissions (it helps if you have software that allows you to roll forward from one year to the next). As soon as the client sends in their data it really pays to invest time straightaway checking it and immediately chasing for any missing items.
5. If your client has paid too much tax, don't forget to add their current bank account details to the return on page TR5 so that the refund can be made directly. Also ensure your client specifically confirms these details when approving the return.

Tax Return tips continued

6. If there is an under-payment below £3,000 that you don't want HMRC to code out, check box 2 on page TR5.
7. Be sure to take into account any outstanding tax which is being collected for a previous year through your client's current year tax code by entering the details in box 7 on page TC1.
8. Ensure that you are made aware if the client has an outstanding Student Loan, so that you may collect the required details for Boxes 1, 2 and 3 of page TR5. Whilst on page TR5, don't overlook the possibility that your client might be subject to a High Income Child Benefit Charge and make sure that you collect the relevant information about client's children and what Child Benefit, if any, is being claimed either by your client or their partner.
9. Your client may be entitled to extra relief if their employer has reimbursed them for business mileage at a lower rate than the approved mileage allowance payment (starting at 45p per mile). If your client received less than this, he/she can claim the difference as an expense against their earnings, always assuming that the business mileage was wholly, exclusively and necessarily incurred as part of their employment
10. Even if your client hasn't been sent an SA return they must still submit one, if a change in circumstances has led to a tax liability that will not be collected other than by self-assessment.
11. It is always good practice to get your client to sign and register the 64-8 form as early as possible - so that you are officially recognised as their agent and can discuss their affairs with HMRC. It is not, however, essential in order for you to file on their behalf using 3rd party software if you have their UTR number.
12. Make a batch of calls to HMRC as early as you can and in relation to all your clients. This will enable you to ascertain whether or not their current year PAYE codes include tax being collected for an earlier year, or if a later year's code is collecting tax for the current year (boxes 7 and 8 on the return) - See point 7 above.

Technology tips

1. Keep your system up to date, this includes Microsoft Office, the Windows operating system and any other commercial software. Updates are issued with good reason, and you ignore them at your peril.
2. Make sure your anti-virus software is up to date but not too aggressively set.
3. If you run or plan to run a Network it is best to keep all PCs on the same operating system e.g. Windows 10 and 7 and ensure printer drivers are correctly installed on all machines.
4. If you are running a proxy server on your network make sure to add an exception to the proxy server so you can file to HMRC.
5. Use a proper offsite backup service for your data. Hard discs, memory sticks and the like just won't do! We recommend www.mozy.com which is reliable and cost effective, but there are plenty more out there.
6. Make sure your internet connection is up to speed, and test it every so often. This can impact on Microsoft updates and online filing.
7. Run regular maintenance on your PC(s), remove unused files and run disk defragmentation. Keep files/icons on the desktop to a minimum as these can also slow your machine down.



Communication tips

1. To avoid missing crucial messages check that all clients' email addresses are up to date and accurate and whitelisted on your system.
2. If you have telephone diverts in place make sure they are working properly, these have been known to switch off for no apparent reason.
3. Are you sure your mobile messaging works as it should? Call it to find out.
4. If someone takes calls for you (whether a service, your own staff, family or a friend) make sure they are properly briefed and notify them of any changes in your movements or availability. Call your own number to check the system works. New and potentially lucrative clients who are met with "I don't know where he is or when he'll be back" will most likely go elsewhere. Existing clients too.

And finally... If you can avoid it, don't take on new clients in January. Only do so if you are confident that they will pay you without argument and if their tax affairs are not complex.

For more tips and advice in the run up to the 31st January deadline, check out our following pages

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