

What is important in your life?

Time for a Spring clean

August 2017

As we move into the 2017 tax and accounting compliance season, our attention turns to ensure that we efficiently complete our 30 June 2017 annual taxation lodgement obligations.

As you work towards collating your information to complete this task, it is an appropriate time to undertake a 'spring clean' of your personal financial affairs.

The purpose of this note is to help you locate and review critical financial documents you need to maintain.

Checklist of key documentation

I attach a checklist of key documents I suggest you review and securely maintain.

Utilising the KordaMentha SharePoint Documentation Management system, I am happy to maintain an electronic copy of these records if you wish me to. I am undertaking this for several clients.

As part of your 2017 compliance program I am happy to review the information contained in this list with you to ensure is content is up-to-date and meets your personal financial needs.

Please contact me if you would like me to undertake this for you.

Some of the issues that you need to consider in reviewing your personal financial documentation are as follows:

Administration and cashflow management

Are you at a point in your life that you would like to either:

- (i) Get someone in to simplify or reorganise your personal finances; and/or
- (ii) Be responsible for maintaining the records necessary for your financial investments?

Have you thought about sourcing this to someone to free-up your time? If not, can you review your current cashflow or banking with a view to simplifying it?

With electronic record keeping improving every day, the outsourcing of your financial management can largely be done remotely.

Again, I can provide appropriate references for people who can assist you in this task if required.

Updating your personal financial management strategy

Are you comfortable that your personal financial management strategy is efficient as it can be?

Are you comfortable your investment strategy is being managed appropriately?

Have you a "Critical Financial File" where all appropriate documentation is maintained?

As you are aware, I have been an active campaigner for ensuring clients have their finances in a position that can be taken over by someone else when you are either unwilling or unable to look after such matters yourself.

The key is of course to simplify matters.



Documentation management

The attached checklist serves as a useful reminder of the key documents that you need to maintain. Administrative red tape is getting worse so having this key critical documentation readily available is vital. It is when circumstances in your life change that this becomes important (e.g. incapacity, death).

At a minimum, you need to know exactly where the following original documentation is:

- (i) Your asset succession documents (e.g. Wills, Powers of Attorney, Binding Beneficiary Nominations);
- (ii) Your entities' constituent documents (e.g. Trust Deeds, Company Registers); and
- (iii) The original Titles to your properties.

Property information

Apart from knowing where the original Titles to your properties are, are you comfortable you have documentary support for the cost base details for Capital Gains Tax purposes for your non-principal place of residence properties (e.g. investments, holiday home etc.)?

If not time to get it organised now!

Asset succession documentation

The changes to the Superannuation Laws recently focused our attention on asset succession issues.

With those who have assets within their Superannuation Fund of more than \$1.6 million per member, you now have an Accumulation Account within your Fund. On your passing, the amount represented by your Accumulation Account must be withdrawn from the Superannuation system.

Have you a plan as to the structure this money will be invested in and managed once you have passed away?

Summary

Life is a great teacher.

Live for today but prepare for tomorrow.

Make sure you have organised your financial management to enjoy your time today and financially support those that you care for so they can be adequately provided for and have the financial skills and/or support to manage these matters when you are unwilling or unable to.

This will ultimately provide both you and your loved ones the peace of mind that your personal finances are in good shape now and you have planned for their future management.

Is not that peace of mind important in your life ?

Anthony Jackson