

# MEMBER'S NEWSLETTER

MAY 2020



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Dear member,

By now, you will have a much clearer idea about how COVID 19 is going to affect the viability of your business. And hopefully, you will be able to trade through it.

As the magnitude of the economic damage caused by the pandemic emerged, we defined three key priority areas:

1. A Government plan to get liquidity to the SME sector,
2. A rapid reform and simplification of the insolvency regime to ensure that as many viable businesses as possible survived COVID 19, and,
3. A detailed back-to-work (restart) plan for the economy

As you know, the Government has published the restart plan, which you can access [here](#). This has been consistent with their approach so far: Almost total concentration on the medical management of COVID 19, with very little focus on the commercial and economic impacts.

Credit where it's due however: one area the Government has managed very well in all this, which is even more critical than the management of the medical aspect, has been maintenance of the Grocery supply chain. Any disruption to this would have led to civil disorder, but the Department of Enterprise kept all the grocery stores, suppliers, and logisticians involved throughout.

We are working very hard with our own lawyers and with the Company Law Review Group to get a viable rescue solution for SMEs in examinership, but this is a very hard task. I'll keep you updated. The greatest disappointment has been the Government's failure, two months into COVID 19, to provide real liquidity supports for SMEs. Ireland's measures to support SMEs are just about the worst in the EU in terms of direct grant aid, which is a prerequisite for many at this point.

Our call is not just for the sake of our SMEs, it is for the sake of the State, and the Exchequer. More than half of total income tax, USC and Employer PRSI is paid from the SME sector. 63% of VAT comes from SMEs. SMEs employ three quarters of all workers in the productive sector of the economy. In short, SMEs are of systemic importance to the State.

ISME is working with two groups to get this point across to Government: The National Small Business Recovery Plan, and the Local Jobs Alliance. Both are pushing very hard to get Government to move. You can read about the National Small Business Recovery Plan [here](#).

I'll keep you posted. Stay tuned to ISME and all our COVID 19 advice [here](#).

Stay safe.

Neil McDonnell | CEO | [neil@isme.ie](mailto:neil@isme.ie)





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WELCOME

# ISME NEWS

## COVID-19 Hub for ISME Members

ISME have developed an online members only hub with tools and templates to help guide them through these unknown waters. Included in the COVID-19 page are explainers and links to all government schemes, HR resources, best practice advice and supports.

Visit the hub [here](#)



## ISME back [smerecovery.ie](https://smerecovery.ie)'s national recovery plan for the small business sector

Backed by a broad church of stakeholders including ISME, the National Small Business Recovery Plan calls for a more extensive range of supports including a business compensation fund, business stabilisation supports, an extended mandate for the SBCI and measures to boost demand.

Find out more about the plan and sign the petition [here](#)

## HR Locker helping charities during COVID-19 crisis

HR Locker pledge €100 to their charity partners Alone, Dublin Rape Crisis Centre and Focus Ireland, for every Remote/Dual Working Package purchased. These charities protect some of the most vulnerable in our society and are really suffering as collections and fundraising have come to a standstill during the pandemic.



The Remote/Dual Working Package is packed with features including GPS/Geolocation login; Productivity time sheets and Holiday and absence tracking, that will help employers enable their remote or dispersed work forces to make working outside of the office easier.

To ensure the charities receive the donation, please use PROMO CODE COVID 19/ISME when signing up on [here](#). This offer ends on 31st July 2020.

## Brexit: Resources from ISME

ISME have created a page for BREXIT resource to help you navigate these unknown times. Included on the page is **A Brexit Guide** written by ISME Roadshow speaker, Paul McMahon. 'BrexitLegal.ie' is a comprehensive free website about Brexit for Irish business. Read more [here](#).

# ISME NEWS

## Discount for ISME Members on Business Post digital subscription

Our ADVANTAGE Affinity partner the Business Post are offering ISME members a 50% discount off an annual Business Post digital subscription. Once signed up you will instantly gain full **unlimited access** to all their premium content across mobile, desktop, Google Android and Apple iOS apps.

A subscription means you can enjoy all our newspaper content on our fabulous e-reader where you can also delve into an extensive archive as well as reading first-rate daily analysis and comment from their award-winning team of writers. This is an exclusive offer for **ISME** members. To avail of this offer go to <https://tinyurl.com/y7baqfyg>

## ISME seek better liquidity solutions for smes

Thousands of Irish businesses have been starved of cash for almost two months due to COVID-19. The vast majority of these are viable, profitable businesses, which have simply been prevented from trading. These SMEs are risk and debt averse, and therefore putting more debt onto their balance sheets is not a solution to their liquidity problem.

As we know, Ireland has a well-developed examinership regime, to give viable businesses a chance to trade through difficulties. But the current regime is too expensive and too slow for SMEs to avail of. ISME has proposed procedural amendments to our examinership system that would make it more affordable for SMEs. ISME's proposal is [available here](#).

ISME are urging the Oireachtas to prioritise this legislation in order to allow as many SMEs as possible to avail of examinership protections.



## Help support your local Community and economy

*just  
buy Irish*

A directory of quality independent Irish producers who deliver to your door was set up to support local producers and reduces our carbon footprint. Buying from businesses within Ireland reduces air miles on imported goods and promotes sustainability, [click here to find out more](#).



# ISME NEWS

## Employee wellbeing during covid-19

Looking after your employee's welfare has never been so important as during Covid-19. While many employees are working remotely, or have been placed on temporary layoff, the employer's duty of care still remains in place. Looking after employee wellbeing at arm's length poses a unique set of challenges. This guide is intended to help employers navigate these challenges.



There are a number of areas of wellbeing an employer can support during this difficult time. Our full guide [is available here](#)

## Version 9 of Revenues Wage Subsidy Scheme FAQs is here

One question in particular that is addressed in V9 is: **What happens if employees being taken back on after receiving the pandemic unemployment payment, section 2.8 in the new version answers this:**

*Employees rehired after 1 May 2020 will not be included in the 4 May 2020 Employer CSV file. Revenue are investigating options to facilitate the inclusion of such rehires at a future date. Until then, J9 submissions for employees rehired after 1 May 2020 will be processed but rejected for refunding. It is our expectation, that at a future date, Revenue will reprocess all the submissions received from the employee's rehire date and refund where appropriate.*

The full FAQs are [available here](#)

## ISME Members & Coronavirus

In these uncertain times, ISME Members speak about how their business is adapting to changing times and explain how ISME have helped them. If you want to share your Coronavirus experience, please email [marketing@isme.ie](mailto:marketing@isme.ie)

Featured in the series are:

**Marc O'Dwyer, Big Red Cloud:** Marc shows us around his near empty offices in Glenageary and speak about how his software is helping business with their every changing payroll situations and his plan for business in 2020.

**Juliet O'Connell, Zipyard Dun Laoghaire:** Juliet speaks about her recession proof business and explains how COVID-19 has forced her to shut the doors of her Dublin alteration business but how she plans to re-open.

You can watch the **videos** [here](#)



# ISME HELPING

MEMBERS THROUGH COVID-19



- **12,656 VISITS TO OUR ONLINE COVID-19 SUPPORTS**

- **6,682 PEOPLE BROWSE OUR SELECTION OF FREE WEBINARS**

- **OVER 1,000 SMES JOIN US FOR THE VIRTUAL LAUNCH OF NATIONAL SMALL BUSINESS RECOVERY PLAN**

- **105 PEOPLE TUNE INTO OUR LIVE Q&A SESSION**

- **OVER 800 PHONE CALLS OFFERING MEMBERS HR SUPPORT**



# ISME **WELLNESS** PROGRAMME

EMPLOYEE ASSISTANCE PROGRAMME

UNLIMITED ACCESS FOR AN EMPLOYEE  
AND THEIR FAMILY TO:

- 24/7 Freephone Mental wellbeing support
- Up to 6 Sessions of face to face Counselling
- Video/telephone counselling option
- Support across finance, legal, mediation, parenting coaching, life coaching and more

€500 p.a. for up to 30 employees, for each subsequent employee €9 per employee p.a.

LEARN MORE >

# The Power of learning in your PC

ISME SKILLNET'S **FREE** WEBINARS:  
HELPING SMEs THROUGH COVID-19



## EXPLORE OUR FREE WEBINARS

|  |                      |         |             |
|--|----------------------|---------|-------------|
| Intermediate Excel                             | 7 <sup>th</sup> May  | WEBINAR | <b>FREE</b> |
| Strategic Cost Reduction Workshop              | 8 <sup>th</sup> May  | WEBINAR | <b>FREE</b> |
| Leadership- How to Keep Your Going in A Crisis | 13 <sup>th</sup> May | WEBINAR | <b>FREE</b> |
| New Presentation Skills in a Virtual World     | 14 <sup>th</sup> May | WEBINAR | <b>FREE</b> |
| Your New Routine                               | 15 <sup>th</sup> May | WEBINAR | <b>FREE</b> |
| Twitter and LinkedIn for Business              | 15 <sup>th</sup> May | WEBINAR | <b>FREE</b> |
| Marketing for "The New Normal" Session 1       | 18 <sup>th</sup> May | WEBINAR | <b>FREE</b> |
| Digital Optimization                           | 19 <sup>th</sup> May | WEBINAR | <b>FREE</b> |
| Marketing for "The New Normal" Session 2       | 20 <sup>th</sup> May | WEBINAR | <b>FREE</b> |

|  |                      |         |      |
|--|----------------------|---------|------|
| How to Create Awesome Content            | 22 <sup>nd</sup> May | WEBINAR | FREE |
| Marketing for "The New Normal" Session 3 | 22 <sup>nd</sup> May | WEBINAR | FREE |
| How to Host a Webinar                    | 29 <sup>th</sup> May | WEBINAR | FREE |
| How to Create Awesome Content            | 22 <sup>nd</sup> May | WEBINAR | FREE |
| Marketing for "The New Normal" Session 3 | 22 <sup>nd</sup> May | WEBINAR | FREE |
| How to Host a Webinar                    | 29 <sup>th</sup> May | WEBINAR | FREE |

After the enormous success of the ISME / Griffith College **"Business Recovery and Rethink Your Strategy Programme"**, ISME Skillnet has received emergency funding from Skillnet Ireland.

The fund is generous enough for us to offer our members a free Business Advisory consultation service to assist you get your business up and running again.

Key services:

- **6 hours of free consultation** with a qualified business advisory consultant
- **Confidence:** Making new, courageous decisions for your business
- **Innovation:** Explore new opportunities: Markets, Products & Services
- **Pivot:** What new direction can you take your business in?
- **R&D:** Are you on the right path?
- **Skills assessment:** What skills can be utilised, what new skills are required?

Contact Adam at [adam@isme.ie](mailto:adam@isme.ie) / 086 824 4364, to explore this fabulous opportunity and take the right steps





ISME

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ISME Skillnet is co-funded by Skillnet Ireland and member companies. Skillnet Ireland is funded from the National Training Fund through the Department of Education and Skills.



**An Roinn Oideachais  
agus Scileanna  
Department of  
Education and Skills**

**Skillnet**  
IRELAND

Over the last few weeks HR and Management teams across the country have been operating in Crisis Management mode. Employers and HR have prioritised actions into four main categories:

- physical health and wellbeing, ensuring a safe working environment
- assessing and implementing remote working capabilities
- issues related to jobs and business continuity
- dealing with uncertainty within the workforce



Some of the adjustments organisations are making as a direct result of COVID-19, have the potential to impact how we work in the future. It is expected that post COVID-19 remote work and more flexible ways of working will become the norm.

Implementing flexible and remote working policies and procedures can also benefit the employer if they are used correctly. Having remote working in place can ensure that the business is more resilient to future shocks, and can be used to motivate employees and encourage higher productivity levels.

According to [Forbes latest study](#), flexible working arrangements have been shown to improve productivity, performance, engagement, retention and profitability across the board. Remote workers are an average of 35-40% more productive. With stronger autonomy, remote workers produce results with 40% fewer quality defects. Higher productivity and performance combine to create stronger engagement and lower absenteeism. Remote working also allows organisations to widen their talent pools, allowing recruitment of candidates who may not be in a position to travel to an office location.

Organisations in a position to do so, can capitalise on the current forced remote working situation, by taking the opportunity to review or develop robust and workable remote and flexible working procedures. They should ensure they have a strong data protection policy that covers remote work.

Communication policies should be reviewed and tailored with a view to remote work. For those working offsite, opportunities to pick up information in passing are limited. Employees should be informed as to the procedure for sharing appropriate updates or learnings from other meetings and projects. Communicate regularly, not just when things go wrong, whether it is information, praise or criticism. Communicate clearly, and ensure that expectations are clearly laid out and understood.

Meeting schedules should be adjusted to ensure remote workers are kept in the loop. Have a daily virtual check in. This is essential for keeping connected as a team. It needn't be long, but regularity is key. Implement regular one-to-ones and team meetings. This maintains a sense of structure and continuity for all, and allows managers to keep their finger on the pulse of the team without seeing them in the office on a daily basis. IT systems and virtual meeting tools should be reviewed and usage policies for these should be introduced.

Performance management and appraisal procedures should be adapted for remote work. Make sure every team member is clear about how they are expected to work and communicate. Ensure each team member is aware of what outputs they are expected to produce. Also confirm that they are aware of long-term strategy, and how their work fits into this. If a team member is struggling with achieving goals, be prepared to reassess what is achievable.

Recruitment procedures should be reviewed with a view to remote recruitment.

Training and development policies and procedures should be amended to include remote training and development programmes. Ensure employees are trained on remote working tools and systems.

If an organisation takes this opportunity to review and improve their remote and flexible working options, they may find themselves in a position to bounce back from COVID-19 with a more engaged workforce, as well as improved productivity, performance, recruitment, retention and profitability.

For COVID-19 HR please click [here](#) or contact [hr@isme.ie](mailto:hr@isme.ie)



Cait Lynch,  
ISME HR Advisor  
[cait@isme.ie](mailto:cait@isme.ie)

**May**      **Dividend Withholding Tax**

14th      Due date for payment and filing of returns of withholding tax on dividends paid by companies in April 2020.

**PAYE/PRSI/USC/LPT**

23rd      Payment of PAYE/PRSI/USC/LPT deductions for April 2020 (ROS filers).

**VAT**

23rd      Payment of March/April 2020 VAT liability and filing of related VAT return.

**Corporation Tax**

23rd      Company year end 30th June 2020: Preliminary tax due, minimum 90% of total liability for the year. Small companies can pay 100% of previous year's liability.

Company year end 31st August 2019: Payment of balance of corporation tax and filing of corporation tax return.

**Company Secretarial**

28th      Filing of Annual Returns dated 30th April 2020.

**Corporation Tax**

31st      Company year end 30th November 2018: Close companies with undistributed profits may have to make a distribution by this date to avoid surcharge.

31st      Company year end 31st August 2019: Filing of 'Return of third party information' (Form 46G).

**Company Secretarial**

31st      Company year end 31st August 2019: Final date for holding Annual General Meeting.



## **Steps businesses may take to improve VAT cash flow.**

### **1. Deferral of VAT liability and acceleration of VAT refunds**

Revenue has indicated that interest will be suspended in relation to the late payment of the January February and March April 2020 VAT. The VAT return should continue to be submitted as normal but payment can be deferred.

Furthermore, Revenue have announced that where key personnel are unavailable, best estimates can be used to populate the VAT returns and any resulting self-correction can be completed without penalty.

Now may also be an optimal time to examine the businesses Revenue record to determine if any VAT refunds are owed for prior VAT periods. Refunds, which may currently be subject to an aspect query, might also have scope to be progressed at this time.

In addition, it is worth noting that Revenue has currently suspended enforcement proceedings on past liabilities due. That said, there has been no commentary on the effect of interest accruing on any liabilities during this time.

Current tax clearance and RCT rate status should not be affected by the above as Revenue have confirmed that taxpayer's current status will remain in place over the coming months.

### **2. Bad debt relief**

VAT legislation provides for a VAT refund of sales VAT paid, where a debtor becomes a bad debt. This VAT will be repayable in the VAT period that the debtor becomes a bad debt.

A review of customer listings should be undertaken and any bad debts arising may be written off. A VAT deduction for the VAT element written off may be taking during the VAT period of write off by making an adjustment to the current VAT return.

### **3. Basis of accounting for VAT**

Ensure the business is accounting for VAT on a cash receipts basis once certain conditions are satisfied. Under the cash receipts method of VAT accounting, VAT is due at the point of payment by your customer. Under general VAT accounting rules VAT becomes due on issuance of a VAT invoice even where the invoice remains unpaid. The cash receipts basis may be used where either; 90% of turnover is derived from sales of goods or supplies of services to persons not registered for VAT or, gross turnover is less than €2million per annum.

If the above conditions are satisfied, Revenue should be contacted to request the change from the invoice basis of accounting for VAT to the cash receipts basis.

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