KPMG

Fringe Benefits Tax Automator

An end-to-end FBT solution

Insights today, value tomorrow

Using automation, organisations now have the opportunity to transform tax data into valuable insights. Imagine gaining the ability to interpret the enormous volumes of transactional data captured in your business systems, finding overpaid tax as well as uncovering hidden business opportunities.

By accessing relevant tax data in a user friendly way, you can maintain control of your tax processes, identify risks, and leverage opportunities.

Stop struggling with your tax data. Start winning with it.

KPMG is helping organisations delve into their tax data, revealing both untapped opportunities and hidden risks. Early detection of such opportunities and risks can lead to financial return and support the tax function to become a key value-add resource at the centre of business decision making.

KPMG's Fringe Benefits Tax Automator (FBT Automator) allows businesses to gain quantitative insights and visibility on the status of their Fringe Benefits Tax obligations.

FBT Automator is just one of a suite of automated tax services offered by KPMG across all areas of tax.

How is automation disrupting the management of Fringe Benefits Tax?

No two organisations are the same, and no two organisations' Fringe Benefits Tax (FBT) process are conducted in the same manner. KPMG's FBT Automator is designed to specifically alleviate your organisation's pain points in the FBT process by applying a bespoke automated approach.

FBT compliance is still a highly manual process in many organisations. The review of internal general ledger, payroll, expense system data, and third party information is often a time consuming and complex process. The demanding time pressures surrounding the FBT return lodgement take a toll on resources and impact the organisation's competing priorities.

KPMG's FBT Automator is designed to make FBT simple.

Our approach combines sophisticated data analytics techniques, through a combination of a bespoke rules-based approach and natural language processing (NLP), with automation to streamline the compliance process and uncover cost saving opportunities.

Questions to ask about your FBT data:

- **How long do you spend manually gathering, collating and reviewing data that underpins your FBT return?**

- **Is your focus on getting the FBT return filed on time rather than ensuring that each disclosure is supported with accurate source data?**

- **Do resources in your organisation have completing priorities during April to June?**

- **Are system master data, system configuration and integration issues creating a hidden FBT liability?**

- **Are employee-entered expenses classifications and coding processes creating an erroneous FBT liability?**

- **Have you considered all the FBT implications of your payment-in-kind benefits to your employees?**

Fringe Benefits Tax Automator – focused on outcomes

Drawing on advanced data analytics, automation and the expertise of KPMG's tax professionals, KPMG's FBT Automator is focused on identifying inefficiencies across business systems and manual processes. It helps your organisation to:

Increase efficiency:
Automate highly manual data cleansing, reviews and calculations that underpin the FBT return.

Gain control and visibility on your FBT liability:
Fact-driven insight into the drivers of the FBT liability and potential risk areas on an easy-to-use interactive dashboard.

Enhance consistency:
Learning from your historical processes and analysis to enhance consistency and repeatability over time.

Improve risk management:
Examine the data integrity of multiple data sources, with deep insights into system configuration and expense recording processes associated with data underpinning the FBT return.

Transform data into value:
Find potential FBT saving opportunities and benchmark your organisation against others within your industry, state, and revenue bracket industry.

Focus on your core business:
Reduction in compliance effort may allow for the redeployment of tax staff into other value-adding planning, process optimisation and tax leakage prevention.

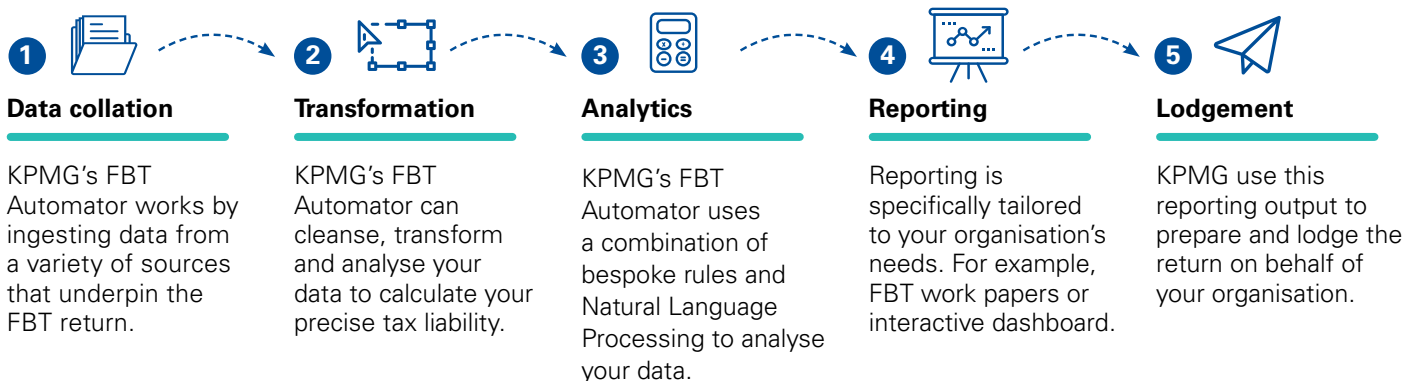## What insights can the FBT Automator provide?

FBT return preparation

- Ability to review the entirety of your organisation's expense management system data and general ledger data, reducing risks associated with mis-coding.

- Application of pre-determined and bespoke rules to classify expenses for correct FBT treatment.

- Periodic deployment to reduce time and effort at the end of the FBT year.

- Test validity of manual data capturing for fringe benefits and application of risk assessment to identify users with high error rates requiring further investigation.

- Undertake comprehensive analysis by combining records from multiple data sources including employee records, car parking boom gate data and other miscellaneous sources, allowing for selection of the optimal FBT calculation methodology.

- Preparation of FBT return figures flowing from FBT Automator into a format suitable for upload through tax filing software, including Thomson Reuters ONESOURCE.
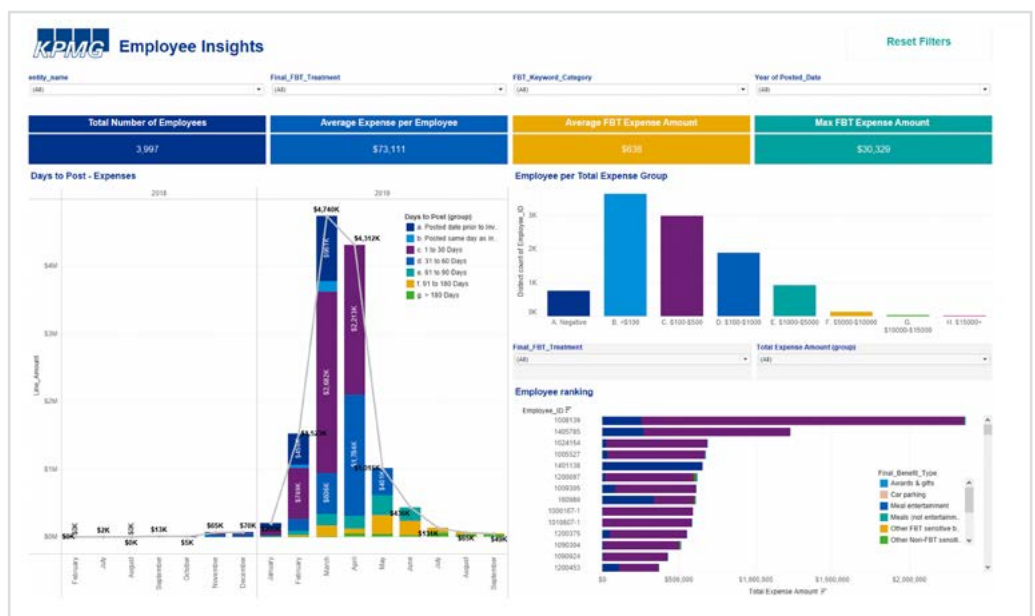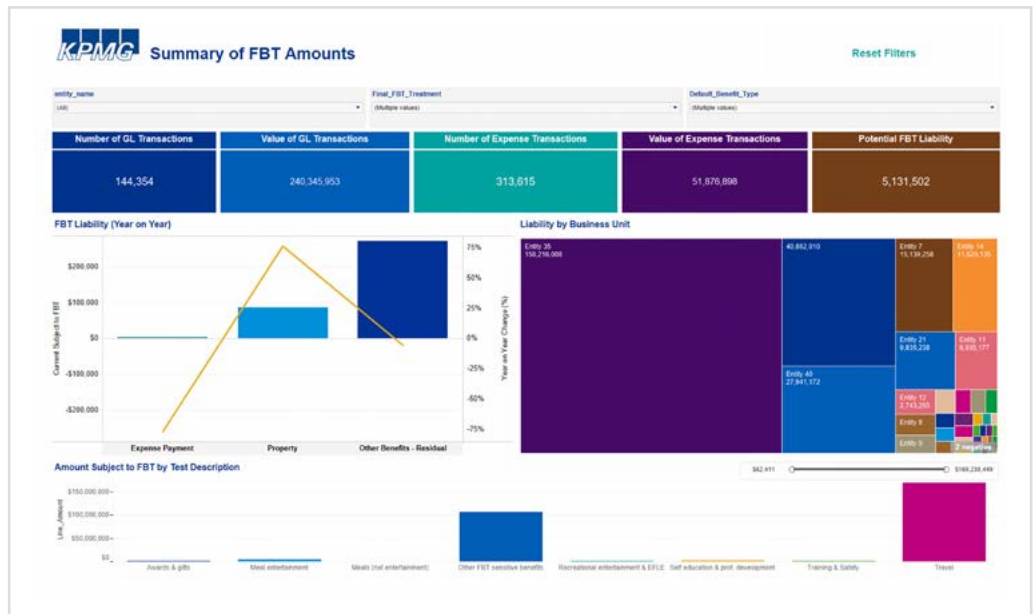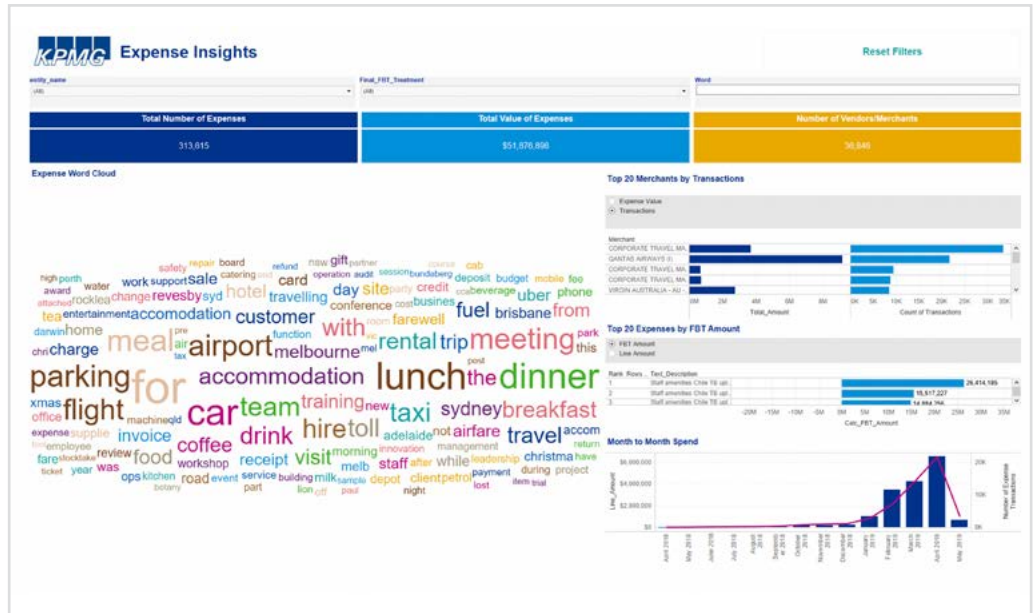
Modular approach

Whether your organisation requires an end-to-end offering to automate data extraction through to lodging with the ATO or assisting in key pain points in your process, KPMG's FBT Automator can be tailored to your organisation's specific needs.

Our process:

1 Data collation

KPMG's FBT Automator works by ingesting data from a variety of sources that underpin the FBT return.

2 Transformation

KPMG's FBT Automator can cleanse, transform and analyse your data to calculate your precise tax liability.

3 Analytics

KPMG's FBT Automator uses a combination of bespoke rules and Natural Language Processing to analyse your data.

4 Reporting

Reporting is specifically tailored to your organisation's needs. For example, FBT work papers or interactive dashboard.

5 Lodgement

KPMG use this reporting output to prepare and lodge the return on behalf of your organisation.

KPMG's FBT Automator uses interactive visualisation software allowing you to interrogate your data, validate exceptions and identify opportunities in a clear and concise manner. An example of a data driven insight is set out in our visualisation tool below:

Contact us

For more information on how KPMG's suite of Tax Data Analytics and Automation tools can help discover the value in your tax data, please contact your KPMG Tax Advisor.

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