There have been a few queries regarding Tax Returns and when the Financial Counsellor can support and when the Financial Counsellor cannot.

Please see information below that may assist you in clarifying what is an acceptable use of your services in relation to Tax.

**Tax Returns**

It is not appropriate for financial counsellors to do tax returns for clients unless:

* It is in their own time, that is, not Department of Communities funded time; and
* They have suitable qualifications and up-to-date training in tax matters; and
* They have professional indemnity insurance to cover them for the tax work.

**Tax Matters advice**

Financial counsellor should not give advice on tax law.  Financial counsellors can give clients information which is part of their training, for example that tax debts are provable debts in bankruptcy.

Financial counsellors can give information to clients about dealing with tax debts, as they do with any type of debt.

**Tax Support**

Financial counsellors can assist disadvantaged clients with information, and computer access for clients who do not have computer access, provided that their role is to support the client with information and resources.  The client must be the person completing and lodging the tax return.

Financial counsellors should advise sophisticated clients, who may have tax debts from a failed business, that they can provide information and options about dealing with debt, but the clients must be referred to other avenues for assistance with preparing tax returns.

Where clients have need for assistance to prepare and lodge tax returns, financial counsellor should try to provide helpful referrals to sources of assistance such as Tax Help or an accountant, depending on the clients’ means and needs.

**Financial Counselling Program – Department of Communities**

The funding provided by the Department of Communities for Financial Counselling services should not be used to support individuals to complete a tax return, and as such the data relating to this activity should not be collected for the Department of Communities reporting purposes.

**Further Information**

It is not the fault of financial counsellors if there are gaps in service provision, that is where there is no suitable help for a client who needs help preparing tax returns beyond the scope of Tax Help.  Counsellors should not be drawn into exceeding their boundaries because there is a gap in service provision.

If you are still unsure about what is an acceptable level of support and advice, you are not alone. The Financial Counsellors’ Association of Western Australia are looking at undertaking a quality framework and this is currently being discussed at a national level, which may give some clarification.

*This information has been prepared in collaboration with the Financial Counsellors’ Association of Western Australia, and with further recommendations from Mr Ian Macdonald*