

BUSINESS CHECKLIST

Use this list as a reminder of what will be useful to prepare and bring to your appointment.

Please Indicate whether information is applicable (please tick); Y = Yes OR N = No		Y or N	
Questions	What to bring		
<p>Computerised Accounting Package (e.g. MYOB, QuickBooks, Xero)? Before you bring the work in:</p> <ul style="list-style-type: none"> • Be sure you have reconciled your bank(s) • Provide a copy of the bank statement showing 30 June balance 		<input type="checkbox"/>	<input type="checkbox"/>
<p>Do you use a Spread Sheet? Please ensure your spread-sheet is in the following format:</p> <ul style="list-style-type: none"> • Each payment is entered on a separate line. • Each line includes a total payment column including GST. • Each line has a separate amount for GST in the GST column. • Each line has an expense column exclusive of GST. <p>Before bringing in your spread-sheet check that:</p> <ul style="list-style-type: none"> • All the columns of the spread-sheet are added down. • The totals of each of the expense and GST columns cross-add to the total of the payment column. 		<input type="checkbox"/>	<input type="checkbox"/>
<p>Do you use a Manual system?</p> <ul style="list-style-type: none"> • For all hand-written books refer to comments on spread-sheet layout (above). • If we have previously agreed on a coded bank statements system; ensure all bank statements are coded as per the chart of accounts provided. 	<p>Book</p> <p>Provide all bank statements</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Other Documentation</p> <ul style="list-style-type: none"> • Any new Acquisitions, Motor Vehicles, Computers, Machinery or Equipment • Any sale of assets: Motor Vehicles, machinery etc. • Any new borrowings including: Hire Purchase agreements, Chattel Mortgage agreements, Lease agreements, or Loan agreements • If you have a Trust 	<p>Brief summary showing:</p> <ul style="list-style-type: none"> • Description • Date of Purchase • Cost <p>Brief summary showing:</p> <ul style="list-style-type: none"> • Date of Sale • Sale price <p>Copy of the agreement</p> <p>Have Trustees made a Resolution of Distribution before 30 June?</p>	<input type="checkbox"/>	<input type="checkbox"/>

<ul style="list-style-type: none"> • Employee Superannuation Payments • Did you do a stock take? • Wages • A list of invoices to customers issued but not paid as at 30 June (Debtors) <p>A list of invoices from suppliers received but not paid as at 30 June (Creditors)</p>	<p>What date were the June quarter contributions paid? _____</p> <p>Stock sheet</p> <ul style="list-style-type: none"> • Wages book/Summary of PAYG summary sent to ATO • List of Debtors • List of Creditors 	<p>_____</p> <p><input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/></p>
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20 July 2020

HOW TO BE AUDIT READY

The Tax Office is getting serious about substantiation and the correlation (or nexus) between the expense incurred and the income earned.

In addition to our regular checklists that you can find on our website we have prepared this overview to assist you when compiling your documentation for completion of your income tax return.

WORK RELATED CAR EXPENSES:

- The use of your private vehicle for work purposes would normally be required for use during working hours.
 - Travelling to work and from work are outside working hours and therefore considered to be for private use not for work use. (Travel to attend work related study may be an exception to travelling outside work hours).
 - It is possible to have more than one regular place of work but if travel is from home to that regular place of work it is still considered private.
- Is it part of your work duty to travel to various locations during working time? Have you been requested to make the journey? Would your employer support your claim?
- Choosing the cents per kilometre method means you don't need to keep receipts for any car expenses however you do need to keep records of how you worked out your kilometres. Estimates will not be accepted. Entries in a diary will do but you should also note in the diary how far each trip was and for what purpose.
- Remember the cents per kilometre method is capped at a maximum 5,000 kilometres per car per year.
- Choosing the logbook method requires receipts to be kept for all expenses with the exception of fuel where it can be based on the fuel efficiency of the car and the average price for fuel in that year. Using the logbook method still requires:
 - The logbook to be a valid logbook set out as per the guidelines. Refer to our website for further details.
 - You are still required to note your odometer reading at the start and end of each financial year.
 - A logbook is only required to be renewed every 5 years unless your travel circumstances change significantly.

WORK RELATED UNIFORM, OCCUPATION SPECIFIC OR PROTECTIVE CLOTHING:

- Expenses to buy, wash or dry clean conventional clothing, even if required by your employer are not tax deductible.
- A work related uniform that is not occupation specific or protective clothing must have the employers logo permanently attached.
- If laundry expenses are less than \$150 then no substantiation is required however the Tax Office considers a work related uniform, occupation specific or protective clothing would cost \$1 per load if washed separately or 50c per load if washed with other garments. This could mean 3 to 6 washes per week if you were claiming the full \$150.
- Purchasing and dry cleaning require receipts.

OTHER WORK RELATED EXPENSES:

- Substantiation of expenses is required where the total claim is over \$300. (The \$300 does not include car and meal allowance, award transport payments allowance or travel allowance expenses).
- The \$300 is not a blanket tax deduction for all individuals. You will still be required to explain what you purchased and how it is connected to your work.
- There must be a nexus between the expenditure and your work duties.

❖ Please [click here](#) for relevant templates or contact us if you have any further questions.