

Business Tax Return Checklist

The type of information you provide will depend on how much of the bookkeeping work will be done before your accountant takes over and prepares your financial reports and income tax returns. The level of accounting fees will also be affected by how much of this work you choose to do, as well as its completeness and accuracy.

There are basically 3 different levels of information you can provide, depending on the involvement you choose and the type of records you maintain:

LEVEL 1: THE BARE MINIMUM

This requires that you send us all business bank and credit card statements and identify the nature of each transaction by writing on them as follows:

Receipts:

- Identify any non-business deposits (eg: loans or transfer from personal funds / other bank accounts).
- Identify any unusual income (eg: amount from sale of cars or equipment).
- All other deposits will be assumed to be normal business income.
- Make a separate list of any business receipts which were not deposited at the bank (eg: cash sales).

Payments:

- Identify all business-related payments by writing the type of expenses next to the statement entry (eg: tools, materials, wages, stationery, fuel, etc)
- if you are GST registered, indicate any such expenses which did not include GST.
- Use the code letter "P" to identify amounts taken for personal use.
- Make a separate list of payments which did not go through the bank account (eg: items paid by cash or with money that you borrowed).
- if you have paid employee wages, note the employee name and the amount of tax withheld from each payment.

LEVEL 2: CASH BOOK SUMMARY

This requires that you summarise receipts and payments into categories using a cash book. Typically this consists of columns where similar transactions can be grouped and added. The cash book may either be handwritten or on an electronic spreadsheet. (A "Microsoft Excel" spreadsheet can be supplied if needed).

Receipts:

- Include a separate column for receipts which not business income (eg: loans or transfer from personal funds / other bank accounts)

- If your business is GST registered, ensure that all GST paid to suppliers is entered to a separate column.

Payments:

- Any amounts taken for personal use should be entered to a separate column.
- If your business is GST registered, ensure that all GST collected from customers is entered to a separate column.
- Make a separate list of any payments which were not entered into cash book (eg: items paid by cash or credit card).
- if you have paid employee wages, note the employee name and the amount of tax withheld from each payment.

LEVEL 3: ACCOUNTING SOFTWARE

If you are using “cloud” software (such as MYOB, Xero or Quickbooks), please send us an email link inviting us to log in and view your information.

Alternatively or for other software, the following reports are required:

- Profit & Loss Report for the entire financial year.
- Balance sheet as at the end of the financial year.
- General ledger summary report for the entire period.
- Make sure that the bank account has been correctly reconciled.
- Detailed general ledger report. (if this is a very lengthy report, it can usually be saved in “PDF” format and then emailed to us).

* Wages report with tax withheld and employee’s details.

OTHER INFORMATION REQUIRED

In addition to the information outlined above, the following will be required at the end of each financial year to ensure that your income tax returns are complete and accurate:

- Details of vehicles, equipment and other assets newly acquired used in business.
- Details of any business-related loans or leases, including the term, the interest rate, the amount of each repayment and the outstanding balance.
- If applicable, the value of any stock on hand at cost.
- A list of any business expenses paid from personal funds and which are not already included in the business records (eg: business use of personal mobile phone, car expenses, internet use, computer software, office expenses).
- (For new clients): A copy of the prior-year financial statement, income tax return and depreciation schedule.