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G HENDERSON & CO

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RECORD KEEPING & GST

RECORD KEEPING:

How do I keep good records for my business transactions, and what records do I need to keep?
Here is a short introduction to record keeping and ATO requirements:

Legal requirements:

Records and receipts must be kept for 5 years, from the date the tax office has assessed the relevant year's tax return. Records must be kept in English language. In some circumstances you will be required to keep records for longer periods, for example if you are claiming carried forward losses dating back more than 5 years, or if you have purchased and/or sold business assets.

Records may be stored in either paper or electronic form. If you choose to keep electronic records make sure you make multiple backups in regular intervals to avoid loss of data, it is your responsibility to keep your electronic records secure and the ATO will not accept loss of data excuses.

The following records must be kept:

Sales records, including sales invoices, tax invoices, sales vouchers or receipts, cash register tapes, bank deposit books, bank and credit card statements.

Purchase records, including tax invoices and receipts, cheque butts and bank/credit card statements, records showing how you have worked out any private use of a business asset.

Year end records, including debtor and creditor lists, stocktake sheets, depreciation schedules, documents relating to the sale of assets

PAYG withholding and Payments to Employees:

TFN declarations, payslips, PAYG payment summaries, wage books, superannuation records, Fringe benefits provided, annual PAYG reports

Motor Vehicles: we recommend that you keep a full logbook, for at least 12 weeks in any tax period, and receipts for all expenses relating to the vehicle. This will enable you to choose from up to 4 claim methods, assuming that the vehicle is registered in your name.

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Important: The information provided on this information sheet is not advice. Clients should not act solely on the basis of the material contained on this information sheet. Items herein are general comments only and do not constitute or convey advice per se. Also changes in legislation may occur quickly. We therefore recommend that our formal advice be sought before acting in any of the areas. This information sheet is published as a helpful guide to taxpayers and for their private information.

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GST:

What is the Goods and Services Tax (GST) and do I need to register?

The GST is a consumption tax which was introduced in July 2000 with a view to raise extra revenue for the states allowing them to abolish some of their state taxes.

It is a 10% tax that is added to goods and services sold/purchased in Australia, with the exemption of certain types of goods such as fresh food, medical expenses, rates and other taxes.

As a small business owner it is important to know that you will have to register for GST if your annual turnover exceeds \$75,000. That is the value of your sales, not the net profit after expenses.

If your turnover is below \$75,000 you are not legally required to register, but you may choose to do so.

Once registered you will need to include GST on your invoices and remit any GST received from customers to the tax office on a monthly or quarterly basis. You are allowed to claim and offset GST credits on certain purchases/expenses before making a payment to the tax office.

G Henderson & Co can answer any questions you may have relating to the GST, we can assist with registration, monthly & quarterly lodgments.

Did you know that if you get your registered tax agent to lodge your quarterly BAS online, you generally get an extra 2-4 weeks to lodge and pay?

Contact us today if you need assistance setting up a good record keeping system or if you want us to administer your monthly or quarterly tax obligations.

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