

# ***RECORD KEEPING PROCEDURES***

*The following are suggested good practices that generally apply to small business (including primary producers). Those who follow these guidelines will find it easier to comply with the new tax system because your records will be maintained in an effective manner suitable for you and your accountant.*

- **The general rule of thumb in business is that for every transaction you make you have supporting documentation filed in order of when the transaction occurred. At a minimum you will have to access this information every 3 months if not earlier.**
- Retain all bank and bankcard statements in page number (date) order in a suitable secure folder and ensure that none are missing. If you maintain a running account with a wool firm etc it will be necessary to file these in a similar manner.
- Retain all cheque books, deposit books and ensure that sufficient details are written on the butt eg Date, Amount, Payee, Details of Transactions, If GST applies etc
- When paying invoices or accounts write the cheque number, date and amount paid on the document (eg statement with invoices attached) and file these in cheque number order in a lever arch folder marked PAYMENTS for each bank account. You should ensure that for every business cheque you write you have supporting documentation. If you use more than one cheque book at the one time have a divider in the folder to keep these invoices and statements apart.
- Similarly, with deposits and direct credits retain the advice received (eg wool account sale) in a lever arch folder marked DEPOSITS filed in date order for each bank account. If you prepared a tax invoice for your business customer you should keep a copy in this folder.
- In respect of cash payments made and deposits not banked retain these in a separate section of the folder with a divider marked CASH DEPOSITS and CASH RECEIPTS.
- You should ensure that any invoices you issue to business customers comply with the ATO's "Tax Invoice" guidelines. Your business customers will be requesting these from you so that they will be able to obtain a GST credit from the ATO for GST they pay to you. Similarly you will need to obtain a tax invoice from your suppliers so that you are able to claim a tax credit for GST paid.
- Ensure that log books, odometer readings, Centrelink details, stocktakes, livestock details, wage records, investment advices and other relevant financial issues are properly recorded and stored for easy access when the need arises.
- If you use a computerised system ensure that we have a recent copy of the data file.
- If you use a manual system ensure that it adds and cross adds and that Bank Reconciliation's are carried out on at least a monthly basis.
- **Keep records accurately, well organised and up to date. At the end of each monthly or quarterly period you will have 21 days to compile your financial information, fill out your business activity statement and if needed send a cheque to the ATO.**