



# Farm Tax Kit

## 2017/2018

Name \_\_\_\_\_

**Saving us time saves you money. Completing this Tax Kit and providing the requested information assists us in efficiently preparing your Tax Returns.**

**If you need a hand we are happy to help you fill in the details.**

Please read and sign the Substantiation Declaration

Thank you in advance for taking the time to complete this Tax Kit

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... advisers to business

# 2017/2018 Substantiation Declaration

I confirm that you have advised me that I must demonstrate that I have incurred an expense for income producing purposes. In addition you have advised me of the stringent SUBSTANTIATION legislation I must satisfy in relation to work, car and business travel expenses.

In addition, you have informed me that I must OBTAIN ORIGINAL RECEIPTS and keep them for a minimum of five years from the date my return is lodged. The receipts must contain the following details:

1. Name of supplier;
2. Amount of expense;
3. Nature of goods and services, (noting the specific type of items purchased or expenditure incurred which I am able to personally record up to the date of lodgement of my return where not adequately noted by the supplier);
4. Date of expense, (which I am able to personally record where not noted by the supplier).

## Penalties to apply with incorrect returns

You have also advised me that additional tax, penalties, interest and possible prosecution action may be taken against me by the ATO if I provide details which lead to an incorrect tax return being lodged.

In addition, you have informed me that an important feature of the new tax agent services regime which commenced on 1 March 2010 is the provision of a 'safe harbour' protection from penalties in certain circumstances for taxpayers who engage registered tax agents.

You have also advised me that in order to obtain the benefits of 'safe harbour' protection, I must provide you with 'all relevant taxation information' to enable accurate statements to be provided to the Australian Taxation Office.

## Income from sources in and out of Australia for the year of income

You have advised me that as an Australian resident I must declare income from all sources, in and out of Australia, including net capital gains received, for the year of income in my tax return.

## Apportionment

Where items are used for both business and private purposes eg car, mobile telephone, home telephone, computer, etc, I advise I have records to verify my business usage claim. In addition my employer will verify that it was necessary to incur such expenditure in earning my assessable income. Further, I have instructed you to prepare the return based on me being able to produce these records, if required.

## Audit matters

I further confirm that:

- I. I am aware of the procedures to follow if a document is lost or destroyed;
- II. I may be required to verify any income or expense item noted in my return in the event of an ATO audit;
- III. I understand the Substantiation schedules I completed for all work, car and travel expense claims under self-assessment;
- IV. I understand that, for the purposes of obtaining "safe harbour" protection, it remains my responsibility to properly record matters relating to my tax affairs and to bring all of the relevant facts to your attention in order to show reasonable care; and
- V. I have read and understood the return prepared for me :

## I declare that:

- a) I have disclosed and you have returned all of the income, including net capital gains which I have earned/received for the 2018 income year.
- b) All income declared, claims for deductions and tax offsets/rebates included in my return are based on my specific instructions and advise that I satisfy the relevant taxation requirements.
- c) I have the receipts or documentation necessary to substantiate the above claims and I will make them available if required by the Tax Office; and
- d) That you have clarified what written evidence (including car/travel records) will be required during an audit and penalties, (including prosecution) that may be applied if incorrect claims are identified in an audit situation.

\_\_\_\_\_  
Signature of taxpayer

Dated the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

\_\_\_\_\_  
Email address for delivery of Notice of Assessment

# 2017/2018 Farm Tax Information Required

Please circle the answer to these questions. If 'Yes' follow the instructions as amounts, descriptions and supporting documents are needed.

## 1 Was all 2017/18 income deposited into trading accounts?

No Yes

If not, please supply details of:

-Amounts deposited into other accounts: \$.....  
-Cash from sales that you did not bank (eg. wool): \$.....  
-Money/cheques on hand at 30 June (i.e. sales not banked): \$.....

## 2 Bank Reconciliation

No Yes

Please supply 30 June bank statements for all business accounts including loans.

(unless already provided) Bank reconciliations are required for any accounts with unrepresented cheques.

No Yes

## 3 Did you hold grain or wool for resale at June 30?

If so, please supply details...

Crop type..... Tonnes..... Crop type..... Tonnes.....  
Crop type..... Tonnes..... Crop type..... Tonnes.....  
Crop type..... Tonnes..... Crop type..... Tonnes.....  
Crop type..... Tonnes..... Wool..... Bales.....

## 4 Did you have a Stock Agent Account?

No Yes

If you have been charged interest, please supply Agent statements for full year.

## 5 Were any wages paid?

No Yes

Please supply your copies of PAYG Payment Summaries (Group Certificates), and PAYG Payment Summary Statement.

## 6 Was a car(s) used in earning business income?

No Yes

If a claim is to be made please complete **Schedule 1**.

(Speedo Readings at June 30 are vital)

(Note: One-Tonne Utilities and all commercial vehicles are exempt)

## 7 Are business travel meals and accommodation expenses being claimed?

No Yes

If so, please detail **purpose of trip(s)** and keep evidence of expenses incurred.

## 8 Is there a claim for protective clothing?

No Yes

If so, please check it does not include jeans or normal street wear.

## 9 Were any new loans, chattel mortgages or leases arranged?

No Yes

Please supply loan or lease agreement(s) and any statements from the lender.

## 10 Were any bad debts written off?

No Yes

List names/amounts and what action was taken to collect these debts.

## 11 Expenses paid by cash, credit card or personal funds?

No Yes

If so, please provide details where these expenses have not previously been included in your financial records.

**12 Did you buy/sell or breed any livestock during 2017/18:** **No** **Yes**  
 If so, please complete **Schedule 2**.

**13 Did you supply any meals to shearers & shed hands?** **No** **Yes**

If so, please advise...

	Shearing	Crutching
Total Number of days		
Number working in the shed & yards		

**14 Have you incurred Landcare expenses such as:**

Prevention or Combating Land Degradation? **No** **Yes**

Erection of Fences for the purposes of:

- keeping out animals from affected land or limit further damage? **No** **Yes**

- separating land classes according to Approved Land Management Program? **No** **Yes**

Construction of Drainage works to assist Salinity or Drainage Control? **No** **Yes**

**15 Have you purchased any plant or made structural improvements primarily for the purpose of conserving or conveying water?** **No** **Yes**

**16 Have you incurred any capital expenditure on connecting or upgrading mains power?** **No** **Yes**

**17 Have you purchased any plant and equipment over \$1,000?** **No** **Yes**  
 If so please provide copies of invoices.

**You can STOP here if your business uses the Cash Method**

The following questions **only apply** to businesses using accrual accounting.

**18 Did customers owe you any money at June 30?** **No** **Yes**  
 If so, please complete **Schedule 3** or supply a list of **trade debtors**. \$.....

**19 Did you owe suppliers any money at June 30?** **No** **Yes**  
 If so, please complete **Schedule 4** or supply a list of your **trade creditors** indicating supplier name, amount owing and nature of the expense. \$.....

**20 Did you pay more than \$1,000 for services provided that relate to next year?** **No** **Yes**  
 If so, please complete **Schedule 5**. Eg. Insurance, leases, rent, etc.

# Schedule 1 Car Expenses

Complete this section if you are claiming under the following methods

1. Set rate per kilometre method (To a maximum of 5000 business kms per driver)
2. Log Book Method

## Car Details

	Car 1	Car 2	Car 3
Speedo 01 July 2017			
Speedo 30 June 2018			
Make			
Model			
Registration Number			
Name registered under			
Engine Capacity	cc	cc	cc

## Option 1

### Set Rate Per Km Method

	Car 1	Car 2	Car 3
No. of Trips to			
Trips to			
Other Business Travelling			
Eg. Visiting Accountant			
= Total Business Km			

## Option 2

### Log Book Method

	Car 1	Car 2	Car 3
Log Book Business Use Percentage			
Log Book Date Started			
Log Book Date Finished			
Was the car sold during the year? Y/N			

Please detail below any other information you consider relevant or other particular concerns/queries


# Schedule 2 Livestock Details

Details	Sheep	Cattle	Other	Other
Opening On Hand 01 July 2017				
Add Number Bought				
Add Natural Increase				
<b>Total</b>				

Less Number Sold				
Less Deaths				
Less Killed – Own Use				
Closing on Hand 30 June 2018				
<b>Total</b>				

Please note the two TOTAL Columns must be equal



# Schedule 5 Prepayments

Only include prepayments in excess of \$1,000 that were made **before** June 30 If **NOT eligible** for Small Business Entity Rules

Expense Category	Invoice Amount (GST Exclusive)	Period Covered		Apportionment of Expense	
		Start Date*	End Date^	2018 Claim	2019 Claim
Eg Insurance	\$4,000	01 April 2018	31 March 2019	\$1,000	\$3,000
Eg Equip Lease	\$9,000	01 April 2018	31 March 2019	\$2,250	\$6,750
<b>Insurance</b>					
<b>Rent</b> Business Premises					
<b>Lease Payments</b> Plant/Equipment					
<b>Interest</b> Business Loans					
<b>Subscriptions &amp; Associations</b>					
<b>Consultants or Managers Fees</b>					
<b>Advertising</b>					
<b>Professional Indemnity Insurance</b>					
<b>Stationary and Office Supplies</b>					
<b>Travel Expenses</b>					
<b>Seminars and Training</b>					
<b>Other</b>					
<b>Other</b>					

Note \* The date the supply or service is first used

Note ^ The final date of supply or service

- Prepayment Rules**
- 1- Prepayments under \$1,000 can be claimed in full in the year of payment
  - 2- Small Business Entities can elect to claim prepayments

If you are not sure how to complete this schedule, leave blank and please supply relevant tax invoices