

This factsheet tells you about some of the benefits of keeping good records. It also has a checklist of the types of records you need to keep

If you're going to make a success of running your business, you need to keep good accurate records. There are legal reasons as well as good business reasons to keep these records.

Making tax easier

Reduce your tax bill

You can claim business expenses against your income, reducing your tax bill. If we audit you, good records will support your expense claims.

Complete returns more easily

Keeping your records up to date makes it easier to file your VAGST and income tax returns and if you're an employer meet your employer obligations.

Avoid penalties

Managing your business better

Better control of your business

Good records show you if your business is making enough money to meet its expenses and make a profit. They show what you're spending money on and where this money is coming from — helping you in budgeting and decision making.

Managing your cash flow

By regularly updating your records you can keep a track of the flow of money in and out of your business to manage your out-goings. You can plan for periods of low cash flow, eg, a seasonal downturn, and identify the right times to buy business assets.

Free advice and support for you:

We provide a variety of activities in the community to assist you:

- Free tax seminars and workshops
- We can visit you to provide advice and support

For more information please contact us on telephone 20411

Remember these handy tips:

It's important for records to be easily readable and organised for you or anyone to work through them quickly.

If you store your records on a computer, be sure to keep back-up copies in case your system breaks down. It's a good idea to keep the back-ups off-site.

Checklist

If you do your business accounts yourself or delegate, it's up to you to know what records you need to keep.

All businesses should keep the following records

- Core records:** cashbooks, petty cashbooks list of people who owe you money, list of people you owe money to (creditors/debtors)
- Income:** invoices, credit card sales, debit and credit card notes
- Expenses** invoices for purchases receipts for credit card purchases
- Banking** cheque and deposit books bank, credit card statements interest statements
- Worksheets** showing tax return calculations vehicle logbook calculations home office calculations
- Asset register** depreciation schedule and calculations
- Final profit and loss statements & balance sheets** (IFRS)
- List of assets and liabilities**
- Dividend statements**
- Legal documents** sale and purchase, lease, credit agreements

Records you should keep if you:

Employ Staff

- Salary & Wage Book** for all PAYE
- Employment Agreements**

Use a cashier register

- Till Tapes & Reconciliations**
- Day Books**

Register for VAGST

- Tax Invoices**
- Other Invoices**

Offer fringe benefits

- Full Records of any Benefits**

Keep Stock

- Stock Records** manual system—stock cards, regular inventories computer system—record all stock movements
- Regular Stock-Take Forms**

Use accounting software

- Regular back-ups off-site**
- Software manuals**

Use a home office

- Records relating to home costs** insurance, rates, power, phone, maintenance costs