

Recording and reporting income and expenses

Recording all sales

Maintain register rolls sequentially numbered

Maintain invoice book sequentially numbered for all credit and cash sales

Recording all expenses

Ensure that cash taken from till for drawings and expenses are recorded in cash book

Maintain source documentation for all expenses

Perform monthly reconciliation

Reconcile total sales from invoice book/ register rolls to cash book

Reconcile total sales in BAS to cash book

Check reasonableness of figures

Compare ratios with ATO small business benchmarks

ATO website at www.ato.gov.au/businessbenchmarks

Consequences of maintaining incomplete and inadequate records

If the income and expenses reported in your return cannot be substantiated with source documentation, you will be liable to additional tax, penalties, interest and possible prosecution.