Australian Government
Australian Taxation Office

Record keeping for business

- https://www.ato.gov.au/Business/Record-keeping-for-business/
- Last modified: 16 Jul 2021
- QC 16863

This information will help you understand the record-keeping requirements for businesses to meet your tax, superannuation and employer obligations.

As a business, you must keep detailed records for all transactions related to your tax and superannuation affairs as you start, run, sell, change or close your business. Keeping accurate and complete records for all your business transactions will also help you manage your business and its cash flow.

Make sure you understand the record-keeping rules for business. We also have more information on how you can set up and manage your records and examples of what records to keep for different circumstances and stages of a business.

Find out about

- Index – Record keeping for business
- Overview of record-keeping rules for business
- Setting up and managing your business records
- Detailed business record-keeping requirements

Listen

- ATO podcast *Tax inVoice* Episode 10 – Good record keeping is good for business

Index - Record keeping for business

- https://www.ato.gov.au/Business/Record-keeping-for-business/Index---Record-keeping-for-business/
- Last modified: 28 Nov 2019
- QC 60717

We know different businesses will have different record-keeping needs depending on their size, structure and nature, so our information is grouped into sections that will help you to choose what's relevant to your business.

Overview of record-keeping rules for business – contains information on the fundamental rules that apply to all records as well as why you need to keep accurate and complete records:

- What is a record?
- Five rules for record keeping
- Records you need to keep for longer than five years
- Benefits of keeping accurate and complete records
- Our reviews and audits
    - Penalties for not keeping or retaining records

Setting up and managing your business records – contains information on how to ensure you get the essentials right for managing and storing your records:

- Business record-keeping systems – digital or manual
- Setting up your business invoices
- Keeping your records safe and secure
- When to do record-keeping and reporting tasks
- Debtor and creditor records
- Manage your business cash flow
- Record-keeping help for small businesses

Detailed business record-keeping requirements – contains the detailed information about the records you need to keep for the different stages of your business's life cycle and for the tax obligations and situations relevant to your business:

- Starting your business – records
- Running your business – records
    - Banking records – business
    - Business activity statements
        - GST
        - Pay as you go (PAYG)
        - Fuel tax credits
        - Luxury car tax
        - Wine equalisation tax
    - Income tax returns
        - Income
        - Deductions
        - Stock and assets
        - Personal services income (PSI)
    - Taxable payments annual report (TPAR)
    - Fringe benefits tax (FBT) return
    - Employment and payroll records

  - Contractor and supplier records
  - Petroleum resource rent tax
  - Sharing economy
  - Cryptocurrencies

- Changing your business structure – records
- Selling or closing your business – records

Additional record-keeping information

As well as the information in this topic, we have additional record-keeping information on our website that is applicable to businesses of different types.

- Record keeping for not-for-profits
- Record keeping for self-managed super funds (SMSFs)
- Records for excisable alcohol
- Records for excisable fuel and petroleum products
- Records for excise equivalent goods
- Record keeping in the primary production industry
- Documentation requirements for international transfer pricing

Overview of record-keeping rules for business

- https://www.ato.gov.au/Business/Record-keeping-for-business/Overview-of-record-keeping-rules-for-business/
- Last modified: 04 Mar 2021
- QC 60718

You are legally required to keep records of all transactions relating to your tax and superannuation affairs as you start, run, sell, change or close your business, specifically:

- any documents related to your business's income and expenses
- any documents containing details of any election, choice, estimate, determination or calculation you make for your business's tax and super affairs, including how (basis or method) the estimate, determination or calculation was made.

To meet your record-keeping requirements and avoid common errors, ensure you understand what records are needed for your business and make accurate and complete record-keeping practices a part of your daily business activities. As your business changes or grows, you may need to review what records you need to keep.

There can be legal and financial consequences if your business doesn't comply with these record-keeping requirements.

On this page:

- What is a record?
- Five rules for record keeping
- Benefits of keeping accurate and complete records

If you aren't sure how this information applies to your situation, ask your registered tax or BAS agent, or contact us for help. We will help you get back on track if you make an error.

What is a record?

A record explains the tax and super-related transactions conducted by your business.

The record needs to contain enough information for us to determine the essential features or purpose of the transactions, so we can understand the relevance of the transactions to your business's income and expenses.

The minimum information that needs to be on the record is generally the:

- date, amount, and character (for example, sale, purchase, wages, rental) and the relevant GST information for the transaction
- purpose of transaction
- relationships between parties to the transactions, if relevant.

Five rules for record keeping

These five record-keeping rules apply to most records your business is required to keep to meet your tax, super and employer obligations. These are based on law and ATO view:

1. You need to keep all records related to starting, running, changing, and selling or closing your business that are relevant to your tax and super affairs.
    - If your expenses relate to business use and personal use, make sure you have clear documents to show the business portion.

2. The relevant information in your records must not be changed (for example, by using electronic sales suppression tools) and must be stored in a way that protects the information from being changed or the record from being damaged.
    - We may ask you to show us you have appropriate safeguards in place.
    - You need to be able to reconstruct your original data if your record-keeping system changes over time.

3. You need to keep most records for five years.
    - Generally, the five-year retention period for each record starts from when you prepared or obtained the record, or completed the transactions or acts those records relate to, whichever is later. However, in some situations, the law states that the start of the five-year retention period is

different. For example, for

- fringe benefits tax (FBT) records the five years starts from the date you lodge your fringe benefit tax (FBT) return
- records for super contributions for employees, the five years starts from the date of the contribution
- records for super fund choice for your employees, the five years starts from the date of employee engagement or when an employee is offered, chooses or changes their choice of fund.

  - There are also situations where you need to keep some records for longer than five years, including covering the period of review for an assessment that uses information from that record.
  - You need to keep all information about any routine procedures you have for destroying digital records.

4. You need to be able to show us your records if we ask for them.
   - Make sure you keep information about your record-keeping system so we can check that it meets the record-keeping requirements.
   - Make sure that the information on the record includes the relevant details to meet your tax, super and employer obligations.
   - If you store your data and records digitally
     - using an encryption system – provide encryption keys and information about how to access the data when asked. You also need to ensure we can extract and convert your data into a standard data format (for example, Excel or CSV).
     - using passwords to protect your records – provide information about how to access them
     - ensure your data and records are identifiable, labelled or indexed as you store it. We may need to extract it and use an indexing or text-search system to look at it.

5. Your records must be in English or able to be easily converted to English.

See also:

- ITAA 1936 section 262A Keeping of records
- TR 96/7 Income tax: record keeping - section 262A - general principles
- TR 2018/2 *Income tax: record keeping and access - electronic records*
- PSLA 2008/14 *Record Keeping when using commercial off the shelf software*

We recommend you also check your record-keeping requirements with all organisations you deal with. For example, the Australian Securities & Investments Commission (ASIC) requires companies to keep records for seven years.

Benefits of keeping accurate and complete records

When we see businesses doing well, one reason is that they have accurate and complete records.

Accurate and complete records allow you to:

- monitor the health of your business and know whether your business is running at a profit or loss
- make sound business decisions
- keep track of money you owe and money owed to you
- monitor your cash flow to help you to make payments on time
- avoid penalties which may apply for failing to keep records
- demonstrate your financial position to lenders, businesses, tax professionals and prospective buyers
- more easily meet your tax, super and employer obligations, including preparing and lodging your returns, BAS, and taxable payments annual report (if you are a business that is required to)
- provide the information we need if we audit your business, making the process easier and shorter.

Find out about:

- Accountability for record keeping
- Setting up and managing your business records
- When to do record-keeping and reporting tasks
- Detailed business record-keeping requirements
- Index – Record keeping for business

Records you need to keep for longer than five years

- https://www.ato.gov.au/Business/Record-keeping-for-business/Overview-of-record-keeping-rules-for-business/Records-to-keep-longer-than-five-years/
- Last modified: 28 Nov 2019
- QC 60719

There are some situations, where you will have to keep records for longer than the general five-year retention period, including:

- Records connected to a tax return or document that's corrected or amended
- Records of information used again in a future return
- Records of depreciating assets
- Records of capital gains tax assets
- Petroleum resource rent tax records

Records connected to an assessment that's amended

You should keep records long enough to cover the period of review (also known as the amendment period) for an assessment that uses information from the record.

The period of review is the time period within which the assessment can be amended by you or by us.

For example, the period of review for:

- an income tax return is generally two years for individuals and small businesses and four years for other taxpayers, from the day after we give you the notice of assessment
- a business activity statement (BAS) is generally four years from the day after the notice of assessment is given
- a fringe benefits tax return is generally three years from your date of lodgment.

You need to keep your records long enough to cover the five-year retention period and the period of review for the relevant assessment. In many cases, the five-year retention period will also cover the period of review.

When your assessment is amended, the period of review for that amended assessment restarts from the day after we give you the notice of amended assessment.

See also:

- Correct a mistake or amend a return
- Time limits on tax return amendments
- BAS – Period of review
- Fringe benefits tax returns amendments

Records of information used again in a future return

If you use information from a record in your tax return in one financial year and then use that information again in a future return, you need to keep that record until the period of review for the later tax return has ended.

Examples include:

- If you have to spread your borrowing expenses over five years, you would need to keep those records for long enough to cover the period of review for the tax return from the last year in which you claimed those expenses.
- If you work out that you made a business loss in 2012–13 and you carry that loss forward and deduct it in your business's 2018–19 tax return, you need to keep the records you used to work out the loss until, at least, the 2018–19 tax return's period of review has ended.

See also:

- Time limits on tax return amendments
- TD 2007/2 *Income tax: should a taxpayer who has incurred a tax loss or made a net capital loss for an income year retain records relevant to the ascertainment of that loss only for the record retention period prescribed under income tax law?*

Records of depreciating assets

For depreciating assets, you generally need to keep the record for as long as you have the asset for, and then another five years after you sell, or otherwise dispose of, the asset. However, there are different time periods and requirements that apply if the depreciating asset is in a low-value pool or is subject to rollover relief.

Find out about:

- Records of depreciating assets

Records of capital gains tax assets

For capital gains tax (CGT) assets, you generally need to keep the record for as long as you have the asset, and then another five years after you sell, or otherwise dispose of, the asset.

Find out about:

- Capital gains tax records

See also:

- Capital gains tax

Petroleum resource rent tax records

Petroleum resource rent tax (PRRT) records need to be kept for seven years or more.

Find out about:

- Petroleum resource rent tax records

See also:

- Petroleum resource rent tax

Accountability for business record keeping

- https://www.ato.gov.au/Business/Record-keeping-for-business/Overview-of-record-keeping-rules-for-business/Accountability-for-business-record-keeping/
- Last modified: 28 Nov 2019
- QC 60720

As the business owner, you are accountable for understanding your record-keeping obligations. If you use a registered tax or BAS agent to manage your records, you still retain primary accountability.

Accountable management and oversight is one of the principles of effective tax governance that can benefit all businesses.

On this page:

- Our reviews and audits
- Penalties for not keeping or retaining records

Our reviews and audits

We have a responsibility to government and the community to ensure everyone complies with the laws we administer.

If we check your tax and super affairs, it doesn't mean we consider you've been untruthful. If we find a discrepancy, we accept mistakes can be made. We consider this if the law allows us to, when we determine if any penalties should apply.

We presume you're trying to meet your obligations unless your actions give us reason to believe otherwise.

If you need help, ask a registered tax or BAS agent, or contact us. We will help you get back on track if you make an error. We provide help through our advice, publications and visits. You can also discuss your record-keeping practices with our field officers if they come to visit you.

See also:

- Taxpayers' Charter – if you're subject to review or audit

Penalties for not keeping or retaining records

There are penalties that may apply if you don't keep or retain your records as required. We take your circumstances, compliance history and behaviour into consideration if we need to make a penalty decision, so ensure you discuss these with us.

Find out about:

- Setting up and managing your business records
- When to do record-keeping and reporting tasks
- Detailed business record-keeping requirements
- Index – Record keeping for business

See also:

- Failure to meet other tax obligations – penalty for not keeping or retaining records as required
- Dispute or object to an ATO decision

Setting up and managing your business records

- https://www.ato.gov.au/Business/Record-keeping-for-business/Setting-up-and-managing-records/
- Last modified: 28 Nov 2019
- QC 60721

It's important to understand your record-keeping obligations and to plan properly and know what's involved. Accurate and complete record keeping will help you meet your tax, super and employer obligations.

The first step is choosing your business record-keeping system. It can be digital or manual but unless you have simple business affairs, an electronic system may be more beneficial and is what we recommend where possible.

As part of your set up and ongoing management of your records, you need to ensure you keep your records safe and secure and you know when to do your record keeping and reporting tasks.

Proper set up of your invoices will also help you run your business more effectively.

You can look after your own record keeping or engage a registered tax or BAS agent, or a bookkeeper, to do all or part of the work. If you are new to business or not sure what you need to do, it is best to seek help early.

Our Record-keeping evaluation tool can help you to understand what records you will need to keep as well as see how well your business keeps records. In addition, we have other record-keeping support available to help small businesses.

We recommend you regularly check you're meeting the record-keeping requirements that apply to your business, particularly as your business changes or grows.

Find out about:

- Business record-keeping systems – digital or manual
- Setting up your business invoices
- Keeping your business records safe and secure
- When to do record-keeping and reporting tasks
- Debtor and creditor records
- Manage your business cash flow
- Record-keeping help for small businesses
- Index – Record keeping for business

See also:

- Due dates by topic
- Due dates by month

- Small business newsroom – select key dates

Business record-keeping systems – digital or manual

- https://www.ato.gov.au/Business/Record-keeping-for-business/Setting-up-and-managing-records/Business-record-keeping-systems/
- Last modified: 15 Mar 2021
- QC 60722

Your business record-keeping system can be digital or manual. We are progressively moving towards digital reporting for tax, super and employer obligations. Where possible, we recommend businesses use digital record keeping.

The same record-keeping principles and practices apply, regardless of the system you use.

Keeping your records digitally should make some tasks easier and save you time once you have your system set up. It will also make it easier and cheaper to store your records. You can claim a tax deduction for some digital record-keeping expenses, for example:

- capital expenses, such as computers. If you're an eligible business, you may be able to claim the business portion of the expense of the asset in the same year you buy it, under the instant asset write-off rules
- expenses of commercial off-the-shelf record-keeping software you use in your business, including subscription fees.

If you intend to use a registered tax or BAS agent, get their advice about the best system for you.

Find out about:

- Digital record keeping for businesses
- Manual or paper record keeping for businesses
- Index – Record keeping for business

See also:

- Claiming a deduction for depreciating assets and other capital expenses – computers and software
- Claiming a deduction for operating expenses – subscription fees
- Instant asset write-off for eligible businesses
- Ban on electronic sales suppression tools

Digital record keeping for businesses

- https://www.ato.gov.au/Business/Record-keeping-for-business/Setting-up-and-managing-records/Business-record-keeping-systems/Digital-record-keeping/
- Last modified: 22 Mar 2022
- QC 60723

On this page

Advantages of keeping your records digitally

There are many advantages to keeping your records digitally. If, for example, you use a commercially-available software package, it may help you:

- keep track of business income, expenses and assets as well as calculate depreciation
- streamline your accounting practices and save time so you can focus on your business
- automatically calculate wages, tax, super and other amounts, including
  - develop summaries and reports for GST, income tax, fringe benefits tax (FBT) and taxable payments reporting system (TPRS), as required
  - be prepared to lodge your tax and super obligations, including your tax return, business activity statements (BAS) and taxable payments annual report (TPAR) if you are a business that is required to
  - send some information to us online (if the package meets our requirements), for example, your activity statement
  - meet your legal Single Touch Payroll (STP) reporting obligations

- back up records using cloud storage to keep your records safe from flood, fire or theft.

Digital storage of paper records

You can store and keep paper records (or hard copies) digitally. We accept images of business paper records saved on a digital storage medium, provided the digital copies are true and clear reproductions of the original paper records and meet our five rules for record-keeping.

Once you have saved an image of your original paper records, you don't have to keep the paper records unless a particular law or regulation requires you to.

However, if you enter information (for example, supplier information, date, amount and GST) from digital or paper records into your accounting software, you still need to keep a copy of the actual record, either digitally or on paper. Some accounting software packages may do both your accounting as well as your record keeping.

Providing the ATO with copies of records

If we ask to see copies of records you keep digitally, you can provide either digital or printed copies. We may also request documentation from your computer about your record-keeping system (for example, information about your regular back-up and record destruction procedures) or ask that you provide us with paper copies.

Cloud storage

If you use cloud storage, either through your accounting software or through a separate service provider, for example, Google Drive, Microsoft Onedrive or Dropbox, ensure:

- the record storage meets the record-keeping requirements
- you download a complete copy of any records stored in the cloud before you change software provider and lose access to them.

eInvoicing storage

Regardless of your eInvoicing software or system, your business is responsible for determining the best option for storing business transaction data.

You should:

- ensure that your process meets the record-keeping requirements
- discuss your options with your software provider
- talk to your business adviser, if necessary.

Find out about

- How to choose suitable record-keeping software
- ATO app

How to choose suitable record-keeping software

You should choose record-keeping software that:

- you can understand and operate easily
- enables you to meet your record-keeping requirements
- enables you to report digitally to us.

If you have a registered tax or BAS agent, consider if choosing software that is compatible with theirs will also meet your needs.

Make sure the package you choose will meet your business's needs now and in the future. Consider what functions you need your software to do, for example:

- record sales, voids, refunds and exchanges (per employee, over a period of time)
- track and managing stock, work in progress, customers' orders, jobs or other task management requirements
- produce invoices and receipts
- payroll requirements, including wages, annual leave, long service leave
- Single Touch Payroll reporting obligations
- keep track of money taken from your business (often referred to as 'drawings')
- manage multiple bank accounts or businesses
- deal with foreign currency
- do budgets or forecasting cash flow
- get regular reports
- back-up processes and security.

It's a good idea to regularly review whether your software package is keeping up to date with the functions you need to:

- run your business as it grows and changes
- interact with us, for example, Single Touch Payroll (STP), Taxable payments annual reporting
- take up new digital opportunities as they become available, for example, eInvoicing.

If you use a registered tax or BAS agent, they will be able to advise you on things that your software should be able to do to ensure you can meet your tax, super and employer obligations, including any recent changes to law.

Remember, your records need to be an accurate reflection of your business transactions. Electronic sales suppression tools, which manipulate records, are illegal.

Find out about

- PS LA 2008/14 *Record Keeping when using commercial off the shelf software*
- Ban on electronic sales suppression tools

ATO app

Our ATO app is free and particularly helpful if you are a sole trader who has less complex record-keeping requirements. Use our ATO app to:

- record your business income
- record and manage car trips, expenses, and other deductions on the go using the myDeductions tool in the app
- upload financial year deductions into the myDeductions tool so
  - we can use the information, to pre-fill your tax return or your tax agent's SBR-enabled software
  - you can email it to a tax professional.

We don’t track personal information entered in the app.

You can also use the ABN lookup function in our app to check Australian business numbers (ABNs), to ensure the people you do business with are registered to operate.

Find out about

- Single Touch Payroll
- Keeping your records safe and secure
- When to do record-keeping and reporting tasks
- Index – Record keeping for business

Manual or paper record keeping for businesses

- https://www.ato.gov.au/Business/Record-keeping-for-business/Setting-up-and-managing-records/Business-record-keeping-systems/Manual-or-paper-record-keeping/
- Last modified: 01 Apr 2020
- QC 60724

Manual record keeping may mean more time spent on paperwork, but it can be suitable for business owners with less complex business affairs.

On this page:

- Paper record keeping
- Digital storage of paper records
- Benefits of digital record keeping

Paper record keeping

Some paper record-keeping tools you might use in your business are:

- sales dockets or cash register tapes
- receipt books
- petty cash book
- wages and superannuation payment records
- stock records
- daily, weekly or monthly sales reconciliations
- cash books – a cash payments book, a cash receipts book, a combined payments/receipts book or a simple money column account book
- bank reconciliations.

Cash register tapes can be discarded after one month if:

- you keep Z-totals, and
- they have been reconciled with actual sales and the amount you banked.

If you don't keep the Z-totals and reconciliations, you must keep the full rolls of tape for five years.

If you keep paper versions (or hard copies) of your paper records, make sure you understand how to keep your business records safe and secure.

Digital storage of paper records

You can store and keep paper records digitally. We accept images of business paper records saved on a digital storage medium, provided the digital copies are true and clear reproductions of the original paper records and meet our five rules for record-keeping.

Once you have saved an image of your original paper records, you don't have to keep the paper versions.

Creating a digital version of paper EFTPOS merchant receipts is a good practice as the details on some of these can fade over time.

Benefits of digital record keeping

We're progressively moving towards digital reporting for tax, super and employer obligations. Where possible, we recommend businesses use digital record keeping.

Keeping your records digitally should make some tasks easier and save you time once you have your system set up. You can claim a tax deduction for some digital record-keeping expenses, for example:

- capital expenses, such as computers. If you're an eligible business, you may be able to claim the business portion of the expense of the asset in the same year you buy it, under instant the asset write-off rules
- expenses of commercial off-the-shelf record-keeping software you use in your business, including subscription fees.

Find out about:

- Digital record keeping for businesses
- Keeping your business records safe and secure
- When to do record-keeping and reporting tasks
- Record-keeping help for small businesses
- Index – Record keeping for business

See also:

- Instant asset write-off for eligible businesses

Setting up your business invoices

- https://www.ato.gov.au/Business/Record-keeping-for-business/Setting-up-and-managing-records/Setting-up-your-business-invoices/
- Last modified: 22 Mar 2022
- QC 60725

You need to ensure that your invoices contain all the information necessary to meet the requirements. The information in your invoices and even what you call them (‘tax invoice’ or ‘invoice’) depends on whether your business is registered for GST.

Whether you print your own invoices (for a paper-based system), input details into an electronic system, or use eInvoicing, you need to ensure your invoices contain all the information necessary to meet the requirements.

If you're registered for GST, your invoices should be called 'tax invoice'.

If you're not registered for GST, your invoices should not include the words 'tax invoice' – you must issue standard invoices.

We have examples of how tax invoices can look, including what information needs to be included on them – see, Tax invoices.

You may also want to consider the benefits eInvoicing could bring to your business and start using eInvoicing.

For more information, see Index – Record keeping for business.

Find out about

- Use the GST calculator on ASIC's MoneySmart website to calculate the amount of GST you will pay or should charge customers
- Payments and invoicing on business.gov.au

Keeping your business records safe and secure

- https://www.ato.gov.au/Business/Record-keeping-for-business/Setting-up-and-managing-records/Keeping-your-business-records-safe-and-secure/
- Last modified: 08 Aug 2022
- QC 60726

How to ensure the records you are required to keep by law are stored securely, safe from theft, fire or water damage.

On this page

- Overview
- Computer system security
- Storage and back-up copies
- Lost or destroyed records

Overview

By law, you must keep business records to allow us to work out how much tax you need to pay. These records, whether they are kept electronically or manually, may be at risk of damage or loss if they aren't stored securely and safely, which may affect the running of your business.

Damage or loss of your records may also affect your ability to:

- accurately report your business income
- claim correct business deductions
- meet other tax, super and employer obligations.

Computer system security

You must keep your computer system secure and accurate. You must also be able to show that you have control over:

- who has access to your computer, for example, through the use of passwords
- incoming and outgoing information
- processing of information.

Find out more about Online security, including how to stay safe online.

Storage and back-up copies

It's vital to have a good back-up procedure for computer files and programs and to have external off-site storage, which may include cloud storage. This generally ensures records can be recovered if something unexpected happens, for example, theft, flood or fire. Reconstructing business and tax records can be time consuming and costly.

To minimise the risk of damage or loss:

- store your business records securely and safe from theft, fire or flood damage
- make regular back-up copies of electronic records and store them in a safe place (preferably away from your business premises) or using cloud storage.

For more information, see TR 2018/2 *Income tax: record keeping and access – electronic records.*

Lost or destroyed records

There may be times when your records are lost or destroyed – for example, if your home or place of business has been subject to theft, fire or flood damage.

Where the documents lost or destroyed were written evidence of business expenses you want to claim, and you're unable to reconstruct your records, you may still be able to claim deductions for certain expenses if:

- you have a complete copy of the document that was lost or destroyed, or
- you don't have a complete copy but
  - we are satisfied that you took reasonable precautions to prevent the loss or destruction
  - you demonstrate that it's not reasonably possible to obtain a substitute document by showing you have made a genuine attempt to obtain a substitute document or there are reasonable grounds for believing that such efforts would have been unsuccessful.

Find out more about Reconstructing your tax records and for more information, see Taxation Ruling TR 97/24 *Income tax: relief from the effects of failing to substantiate*.

When to do record-keeping and reporting tasks

- https://www.ato.gov.au/Business/Record-keeping-for-business/Setting-up-and-managing-records/When-to-do-record-keeping-and-reporting-tasks/
- Last modified: 28 Nov 2019
- QC 43004

Regular record keeping and reporting helps keep your business running smoothly and helps to ensure you are able to meet your tax, superannuation and employer obligations.

To avoid common errors we see, ensure you:

- keep records of how you work out your claims if business assets or funds are also for private use
- make accurate and complete record-keeping practices, including daily reconciliations, a part of your daily business activities.

Pay close attention to the tasks that have to be done at particular times, so you're not charged penalties for being late.

Some of the following common record-keeping tasks may not apply to all businesses, as every business is different.

When to do record-keeping and reporting tasks

Frequency	Common tasks (not exhaustive)
Daily, if applicable to your business	Record: • your income • your expenses • any cash payments or drawings (for example, incidental expenses, petty cash or wages paid in cash). Reconcile your daily sales (both cash and EFTPOS) and enter the amount into your main business accounting software system – if you do this correctly every day, it will ensure the accuracy of your records over the year. Include your: • Z-totals • cash register tapes (these can be disposed of after one month if you keep Z-totals) • point of sale systems. Remember, if you account for GST on a cash basis, you need to account for the GST payable on the sales you make in the reporting period in which you receive payment for them. Bank all your cash income into your business account to ensure accurate record keeping and GST reporting. See also: • GST – Choosing an accounting method
Weekly, fortnightly or monthly (depending on when you pay your employees)	Record payments to employees. Calculate PAYG withholding and super payments. Report your employee's salaries and wages, pay as you go (PAYG) withholding and super through an STP-enabled software solution.
Monthly	Do your bank reconciliation. Cross-reference payments with invoice numbers. If you're registered for GST, your BAS may be due. If you're registered for PAYG withholding monthly or PAYG instalments monthly, your BAS may be due. Check fuel tax credits records are accurate and complete, if lodging your BAS monthly (remember to apportion fuel use correctly). If you're not registered for GST, review your turnover in case you need to register for GST. See also: • Due dates for lodging and paying your BAS • Registering for GST

Quarterly	Record details of super paid to your workers. If you're registered for GST, your BAS may be due. Check fuel tax credits records are accurate and complete, if lodging your BAS quarterly (remember to apportion fuel use correctly). Complete PAYG withholding for your BAS. Complete PAYG instalments for your BAS (if registered for GST) or your instalment activity statement if you are not registered for GST. Your petroleum resource rent tax (PRRT) instalment statement may be due. See also: • Due dates for lodging and paying your BAS
Yearly	Summarise income and expenses for the year and create a profit and loss statement. Do a stocktake (if you have a significant amount or value of stock). Summarise records of debtors and creditors. Ensure you have records you need to work out a capital gain or loss for capital gains tax (CGT) – if applicable. Complete records of depreciating assets. You need to reconcile and finalise your employee's STP information through your STP-enabled solution by making a finalisation declaration by 14 July each year, or as soon as it's ready. If you are not reporting through STP because you have been granted a deferral or exemption from STP, you will need to issue payment summaries to your employees and lodge your annual PAYG withholding report. If you are a private company, ensure you have records of all drawings, dividends and loans. By the relevant due date, lodge all required obligations: • Reports and returns for businesses • Due dates for tax professionals.

Next step:

- Detailed business record-keeping requirements

Find out about:

- Index – Record keeping for business

See also:

- End-of-year finalisation through Single Touch Payroll

Debtor and creditor records

- https://www.ato.gov.au/Business/Record-keeping-for-business/Setting-up-and-managing-records/Debtor-and-creditor-records/
- Last modified: 28 Nov 2019
- QC 60728

Very few businesses receive income and pay expenses only in cash. Most businesses sell goods on credit, where you:

- issue an invoice to your customer, who pays later
- receive invoices from your suppliers, which you need to pay by a certain date.

Customers who have not yet paid you, are your debtors. Suppliers you have not yet paid are your creditors.

A good record-keeping system will allow you to keep track of both debtors and creditors, and ensure you:

- can promptly follow up overdue accounts
- know which accounts you need to pay and when
- have better control over your cash flow.

You can keep debtor and creditor records manually but some commercially available software packages will produce invoices, record the amounts receivable or payable, update accounts when payments are received or made, and tally debtors and creditors automatically.

Cash or accruals accounting

The accounting method you use to manage your business will determine when amounts will be shown when reporting income or expenses for a specific period (for example, month, quarter or year).

Cash accounting tracks the actual money coming in and out of your business. For example, if you get an invoice for something, you don't record the cost until you've actually paid the invoice.

Accrual accounting refers to recording income and expenses when they take place, instead of when money actually changes hands. For example, if you issue an invoice for a project you've completed, you record the income in your books even though you haven't received payment yet.

If your business accounts on an accruals basis, you will need to compile a list of debtors and creditors at 30 June to determine your actual income and expenses for the year for income tax purposes.

You may choose to have a registered tax or BAS agent, or bookkeeper, assist you with this type of accounting.

If you register for GST you will be required to choose to report GST on a cash or non-cash basis. These reporting methods have a different purpose and shouldn't be confused with the income tax accounting methods discussed above.

Find out about:

- Index – Record keeping for business

See also:

- Choosing between cash and accrual accounting on business.gov.au
- Choosing an accounting method – GST

Manage your business cash flow

- https://www.ato.gov.au/Business/Record-keeping-for-business/Setting-up-and-managing-records/Manage-your-business-cash-flow/
- Last modified: 17 Nov 2021
- QC 60729

Cash flow is the amount of money that goes in and out of your business; that is, income and expenses. Having enough cash at the right time will make it easier for your business to pay bills and other expenses and meet your tax, superannuation and employer obligations.

Paying regular attention to your record-keeping and reporting tasks will help you better manage your cash flow. Managing your cash flow allows you to plan for the future, for example, prepare for large expenses or expand your business.

Prepare a cash flow budget or projection

The best way to make sure you have enough cash available to meet your tax and other obligations is to do a cash flow budget or projection. This information will help you to:

- see your likely cash position at any time
- identify any fluctuations that may lead to potential cash shortages
- plan for your tax payments
- plan for any major expenses
- provide lenders with additional information.

Accounting for income and expenses can help keep your business running smoothly – by giving you an overview of when you can expect money to come in and when it may go out and highlighting where you may need to direct your money.

There are three main things to consider when creating your cash flow budget:

- timing
  - A cash flow budget isn't 'set and forget'. You can choose to work out your budget on a monthly, quarterly or yearly basis, depending on what you need or works for you.
  - As your business grows or your situation changes, keep monitoring your budget to see how you're tracking and update it if needed.
  - Watch out for things such as significant differences between your budgeted amounts and your actual results.

- costs
  - Try to include all of your fixed costs and expected variable costs, for example, rent, insurance, utilities, advertising, internet, wages, equipment and taxes such as pay as you go (PAYG) instalments and goods and services tax.

- income
  - If you're just starting out, estimate your expected income and you can continue to update your cash flow budget to help you keep track of income versus expenses.
  - Once your business has been running for a while, you'll be able to get a better idea of the business income you may be able to expect.
  - Being more conservative with this amount may help give you some flexibility if unexpected, more costly expenses come up.

Your budget results will help you with your business decisions.

Attend our Planning for your regular financial commitments webinar to learn a simple five-step process to stay on top of your regular financial commitments.

You can also read more about record keeping for business and find more information on business.gov.au around how to create a budget and how to improve your business's financial position.

Record-keeping help for small businesses

- https://www.ato.gov.au/Business/Record-keeping-for-business/Setting-up-and-managing-records/Record-keeping-help-for-small-businesses/
- Last modified: 28 Nov 2019
- QC 60730

Help is available to set up and manage your business's records. Getting help early will save you valuable time and money in the long term.

We run free webinars and workshops and we also have online information and tools to help you. You can also get advice from registered tax and BAS agents and other organisations.

On this page:

- What to consider
- Help we provide
- Using a registered tax or BAS agent
- Other record-keeping support

What to consider

You should consider:

- whether you'll manage your records yourself, or pay a registered tax or BAS agent, to manage all, or part of it for you
- what business activities you need to do – for example
  - reconcile electronic and cash payments
  - issue invoices and pay your own bills
  - pay wages and make superannuation guarantee payments
  - lodge activity statements and tax returns
  - prepare financial accounts, profit and loss statements and balance sheets
- how often you need to report.

Watch:

Record keeping – tax basics for small business (duration 5:20)

Help we provide

We offer free record-keeping help:

- Our Record-keeping evaluation tool can help
  - new businesses understand what records you will need to keep
  - existing businesses understand how well you keep your records.
- Our small business webinars and workshops cover record keeping as well as a range of other topics, including GST, employer essentials, Single Touch Payroll (STP) and activity statements.
- On our ATO Community you can ask questions and get answers from community members and ATO staff.
- You can contact us through one of our channels.

Using a registered tax or BAS agent

Registered tax or BAS agents (tax professionals) can give you advice and some specialise in helping small businesses.

Even if you use a tax professional, you will probably still need to do some basic record keeping.

If you use a tax professional, ask what record-keeping system you could use that would be compatible with theirs as you may want to consider using the same one if it also suits your needs. You should also ask what services they will provide and charge for. When paying for these services, make sure you understand their fee structure and have agreed which services you will get them to do on your behalf.

Next step:

- Tax Practitioners Board to Check if a tax or BAS agent is registered

Other record-keeping support

Other service providers can also assist you. Some of these services are free but it's good practice to ask if there's a fee.

Other places you can get help from include:

- Business.gov.au website
- Business Enterprise Centres Australia

Find out about:

- Index – Record keeping for business

Detailed business record-keeping requirements

- https://www.ato.gov.au/Business/Record-keeping-for-business/Detailed-business-record-keeping-requirements/
- Last modified: 25 Oct 2022
- QC 60731

Check what records you need to keep based on the size, structure and nature of your business, your situation and the stage your business is in.

Record-keeping tips
Top tips to help your business avoid record-keeping errors.

Starting your business – records
Work out what records you need to keep when you start your own business including if you bring goods you already own into the business.

Running your business – records
What records you need to keep while you run your business including those related

to business activity statements (BAS), tax returns, employing workers and crypto assets.

[Changing your business structure – records](#)
What records you need to keep if you change your business structure.

[Selling or closing your business – records](#)
Work out what records you need to keep if you sell or close your business.

[Gifts or loans from related overseas entities](#)
What records you need to keep if you have received gifts or loans from related overseas entities, including family members and friends.

Record-keeping tips

- https://www.ato.gov.au/Business/Record-keeping-for-business/Detailed-business-record-keeping-requirements/Record-keeping-tips/
- Last modified: 25 Oct 2022
- QC 70730

Top tips to help your business avoid record-keeping errors.

On this page

- Reminder
- Tips for common errors

Reminder

The five rules for record keeping apply to all records your business needs to help you meet your tax, superannuation and employer obligations.

You should understand the record-keeping requirements for your business and keep accurate and complete records as they occur. Doing this helps you avoid penalties that may apply and reduce the possibility of us denying your expense claims.

Accurate and complete records help you:

- keep track of your income and stock levels
- know what expenses you've incurred
- make informed business decisions
- prepare for your business activity statements and tax returns.

Tips for common errors

The following tips can help you get it right. They are based on common record-keeping errors we see:

- Keep accurate records of all cash and electronic transactions.
- Reconcile cash and EFTPOS sales regularly (by ensuring payments recorded internally match external records) and enter the amounts into your main business accounting software system. Depending on your business, this may be daily, weekly or monthly.
- Check for mistakes if things don't add up.
- For expenses that are for both business and private use, work out and record the business portion accurately.
- If you have used trading stock for private purposes, remember to account for the stock as if you've sold it and include the value in your business's assessable income to ensure your cost of sales figures are accurate.
- Ensure you have sufficient records to substantiate business expenses claimed as tax deductions.
- Don't use estimates to prepare your tax returns and business activity statements (BAS). Ensure you have complete and accurate records to substantiate the information you include in them.
- Be accurate in how you use your source records to work out the amount you claim for the research and development tax offset (if it's applicable to your business).
- You generally need to keep most records for 5 years – from when you prepared or obtained the record, or completed the transaction or related acts, whichever is later. For example, if your business buys a plot of land, you need to keep the record for 5 years after the land is handed over to you. However, if you then decide to build a new property on the land and that takes 2 more years, you will need to keep the record for at least 7 years.
- You should also keep records long enough to cover the end of the period of review.
- If your business incurs a tax loss – or a capital loss that can be offset against capital gains, remember you need to keep records related to how you determined and worked out that loss for 5 years or the end of the period of review for the income year when the loss is fully deducted, whichever is later.

  You can also refer to Taxation Determination TD 2007/2 *Income tax: should a taxpayer who has incurred a tax loss or made a net capital loss for an income year retain records relevant to the ascertainment of that loss only for the record retention period prescribed under income tax law?* and our Guide to capital gains tax.
- If you are paying contractors to provide certain services on your behalf, remember to keep accurate and detailed records. This way, you can easily prepare your total payments to each contractor at the end of the year to help you complete your taxable payments annual report (TPAR).
- If you are claiming GST credits, set aside your GST in a separate ledger account to make your record keeping and calculations easier.
- If you had PAYG amounts withheld from payments to your business (for example, because of a voluntary agreement or labour hire arrangement),

ensure your payer gives you a PAYG payment summary. You may need it to substantiate any PAYG credits you later claim in your tax return.
- Use our Record-keeping evaluation tool to find out how well you are currently keeping your business records.

If you aren't sure how this information applies to your situation, ask your registered tax or BAS agent or contact us for help. We will help you get back on track if you make an error.

Starting your business – records

- https://www.ato.gov.au/Business/Record-keeping-for-business/Detailed-business-record-keeping-requirements/Starting-your-business---records/
- Last modified: 11 Jan 2023
- QC 60732

When you start your own business, there are a number of start-up activities you do, for which you need to keep records.

On this page:

- Bringing goods you already own into your new business
- ABN registration
- Evidence you are in business

Bringing goods you already own into your new business

If you bring goods you already own into your new business to use as trading stock, you may be entitled to GST credits and an income tax deduction for them. Make sure you have good records to substantiate your claim.

You need to keep records that show the market value or cost of these goods at the time your business starts, for example, the original invoice from your purchase and evidence of payment, such a bank statements.

ABN registration

You are legally required to keep all of your Australian business number (ABN) registration details up to date, including:

- business contact details (for example, email address and phone number)
- main business activity
- business addresses (for example, main business address, postal address and any additional locations)
- business associate details (for example, director, public officer, shareholder, trustee, partner).

You need to notify us of any changes to your ABN details within 28 days of you becoming aware of the change.

See also:

- Updating or cancelling your ABN with the Australian Business Register (ABR)

Evidence you are in business

If you apply for an ABN, you need to be able to show you have started a business and are entitled to an ABN.

To maintain the integrity of the ABR, we may contact you to confirm your ABN entitlement. We may ask you to show evidence that you are carrying on an enterprise, which could include:

- advertising, setting up a social media account or a website for the business
- purchasing business cards or stationery for the business
- obtaining business licences or insurance to operate (such as public liability and professional indemnity)
- leasing or purchasing premises, equipment or stock for the business
- issuing quotes or bidding for work
- consulting with financial, business or tax advisors
- applying for finance
- buying a business.

We recommend you also check the record-keeping requirements of all organisations you deal with. For example, if you are registering a company with the Australian Securities & Investments Commission (ASIC), they will have separate record-keeping requirements.

Find out about:

- Index – Record keeping for business

See also:

- ABR integrity on the ABR's website
- Starting your own business
- Starting a business guide on business.gov.au

Running your business – records

- https://www.ato.gov.au/Business/Record-keeping-for-business/Detailed-business-record-keeping-requirements/Running-your-business---records/
- Last modified: 08 Dec 2022

- QC 60733

While you are running your business you are legally required to keep records of all transactions relating to your tax and superannuation affairs, specifically:

- any documents related to your business's income and expenses
- any documents containing details of any election, choice, estimate, determination or calculation you make for your business's tax and super affairs, including how (basis or method) the estimate, determination or calculation was made.

Information in this section is grouped into either the situation or the tax return or report that the records are related to.

Find out about:

- Banking records – business
- Business activity statement records including GST, pay as you go, fuel tax credits, luxury car tax and wine equalisation tax
- Income tax return records – business including income, deductions, stock and assets, and personal services income
- Taxable payments annual report records
- Fringe benefits tax return records
- Employment and payroll records – business
- Contractor and supplier records – business
- Petroleum resource rent tax records
- Sharing economy records – business
- Cryptocurrency records – business
- Index – Record keeping for business

Banking records – business

- https://www.ato.gov.au/Business/Record-keeping-for-business/Detailed-business-record-keeping-requirements/Running-your-business---records/Banking-records/
- Last modified: 16 Sep 2022
- QC 60734

Information about the banking records you need to keep.

On this page

- Banking records for business
- Banking records required
- How long to keep banking records
- Separate bank account

- Tips for banking records

Banking records for business

Your banking records form an essential part of your overall business records as they show money coming in and going out of your business.

You should:

- record all the amounts you have actually received and paid
- regularly reconcile your records, so you understand exactly what money goes through your account and why. For example, private expenses paid via a business bank account which need to be excluded as part of your tax return preparation
- bank all your cash sales income into your business account regularly, to ensure accurate record keeping and GST reporting.

Whether you use a manual or electronic record keeping system, a reconciliation of daily cash sales should be undertaken which balances with any net cash sales banked.

When reconciling, you also need to take into account transactions such as cash used for business expenses, wages, cash drawings and float. For further information, see Taxation Ruling TR 96/7 *Income tax: record keeping – section 262A – general principles*.

Banking records required

Banking records information and examples

Information your records need to show	Examples of types of records

• Payments received electronically including
  ◦ tap-and-go (contactless)
  ◦ EFTPOS
  ◦ credit and debit cards
  ◦ online payments
  ◦ smart phone and tablet card processing
• Cash received (for example, cash sales through a cash register)
• Payments made electronically
• Amounts withdrawn
• Amounts deposited
	• Cheque butts or payment records
	• Bank statements
	• Merchant facility statements (for EFTPOS and credit card facilities)
	• Rolls of cash register tape
	• Credit card statements
	• Loan or lease agreements
	• Deposit slips, books or records

How long to keep banking records

Banking records need to be kept for 5 years, starting from when you prepared or obtained the records, or completed the transactions or acts those records relate to, whichever is later.

You should keep records long enough to cover the period of review (also known as the amendment period) for an assessment that uses information from the record. For more information see records connected to an assessment that's amended.

Separate bank account

If you're operating a business through a partnership, company or a trust, you must have a separate bank account for that business.

If you are operating as a sole trader, you don't have to open a business bank account, but it's better if you do. That way you can easily separate your business transactions from your personal ones, including any cash taken from money your business receives (often referred to as 'drawings').

Tips for banking records

We recommend you:

- regularly bank all the money your business receives so your income and expenses information is up-to-date and you can easily reconcile your accounts and analyse your cash flow
- register for internet or online banking – this may simplify your record keeping and bank reconciliation process as you can
    - easily get detailed records of your business transactions
    - usually download financial information from your online account to the accounting package of your choice
    - identify extra transactions in your account including bank fees or interest charges, and direct debits and credits
    - check and record any errors or omissions
- regularly reconcile your bank records, which may help
    - you be more confident that your records contain all the information you need to prepare your tax return and activity statements
    - you to better understand your cash flow
    - reduce the time it takes to prepare your activity statements or tax returns.

For general principles on record keeping, see:

- Taxation Ruling TR 96/7 *Income tax: record keeping – section 262A – general principles*
- Index – Record keeping for business.

Business activity statement records

- https://www.ato.gov.au/Business/Record-keeping-for-business/Detailed-business-record-keeping-requirements/Running-your-business---records/Business-activity-statement-records/
- Last modified: 11 Jan 2023
- QC 60735

Information you include in your business activity statement (BAS) must be complete and accurate. Keeping good records will help you meet BAS requirements and claim all the GST or fuel tax credits you may be entitled to.

You can choose to have a registered tax or BAS agent, or a bookkeeper, assist you with this.

Find out about:

- GST records businesses need to keep
- Pay as you go (PAYG) records
- Fuel tax credit business records – overview
- Luxury car tax (LCT) records – overview
- Wine equalisation tax (WET) records
- Index – Record keeping for business
- Record-keeping tips

Information about records needed for the fringe benefits tax instalment amount you include in your BAS, if applicable, is covered in the Records for fringe benefits tax return section.

See also:

- Business activity statements (BAS)
- Due dates for lodging and paying your BAS

GST records – business

- https://www.ato.gov.au/Business/Record-keeping-for-business/Detailed-business-record-keeping-requirements/Running-your-business---records/Business-activity-statement-records/GST-records/
- Last modified: 11 Jan 2023
- QC 60736

If you use a business activity statement (BAS) to report and pay the GST your business has collected and to claim GST credits, you need to keep all supporting records.

On this page:

- Records required for GST
- How long you need to keep GST records

Records required for GST

You need to keep records that show the income and expenses used to calculate and support the amounts you report and claim for GST credits. This includes all sales, tax invoices and other GST-related transactions, fees, expenses, wages and any other business costs.

You must keep any other documents that record adjustments, a decision or a calculation made for GST purposes.

If your records don't adequately support your claims, we may adjust or deny some claims, so it's important to keep the right records and to get your calculations right.

It is recommended that you set aside your GST in a separate ledger account to make your record keeping and calculations easier.

You don’t need a tax invoice to claim GST credits for taxable imports (goods your business imports into Australia). However, to meet the record-keeping requirements, you must have documents from the Department of Home Affairs showing the amount of GST you paid on those imports.

If you operate a ride-sourcing enterprise, there are additional record-keeping requirements for the sharing economy.

How long you need to keep GST records

You need to keep your GST records for five years, starting from when you prepared or obtained the records, or completed the transactions or acts those records relate to, whichever is later.

You should keep records long enough to cover the period of review (also known as the amendment period) for an assessment that uses information from the record.

Find out about:

- Records connected to an assessment that's amended
- Sharing economy records
- Index – Record keeping for business

See also:

- GST
- BAS and GST tips

Pay as you go (PAYG) records

- https://www.ato.gov.au/Business/Record-keeping-for-business/Detailed-business-record-keeping-requirements/Running-your-business---records/Business-activity-statement-records/Pay-as-you-go-(PAYG)-records/
- Last modified: 15 Sep 2022
- QC 60737

You need to keep records of your pay as you go (PAYG) instalment and PAYG withholding transactions.

On this page

PAYG instalments records

You need to keep calculations of PAYG instalment amounts as well as payment receipts or bank statements for payments of your business activity statement (BAS) or instalment notice.

PAYG withholding records

You need to keep the following information and records to support the PAYG withholding amounts you include in the PAYG tax withheld section of your BAS.

PAYG withholding records information and examples

Information your records need to show	Examples of types of records
The amounts you withheld from payments to employees and directors: • salary, wages, commissions, bonuses and allowances paid to employees • remuneration to company directors • retirement payments, termination of employment payments, annuities and benefit or compensation payments	Tax file number declarations or employee tax details summaries Withholding declarations, including withholding variation notices, you obtain from employees Worker payment records Copies of contracts you have with contractors Records of wages, allowances and other payments made to workers Copies of payments and reports provided to us, including annual reports of amounts you have withheld Calculations of PAYG amounts Payment receipts – for payment of

	BAS Single Touch Payroll reports Records of payments made to all payees Payment summaries or income statements Voluntary agreements Superannuation records
The amounts you withheld from interest, dividend and royalty payments to foreign residents	A receipt, remittance advice or similar document containing the following information: • your business name, ABN and branch number – if applicable • your payee's name • your payee's address • the period in which the payments were made • the total amount of gross payment, including the market value of non-cash benefits • the total amount of tax withheld • the wording 'For information about your privacy, go to ato.gov.au/privacy' • your payee's ABN or TFN – if known

From 1 July 2019, Single Touch Payroll (STP) is compulsory for all employers. It requires you to send your employees' salary and wages, tax withheld and super information to us, using payroll or accounting software that offers STP reporting or another STP-enabled solution, each time you run your payroll and pay your employees. The information is sent to us either directly from the software or through a third party, such as a sending service provider. You could also ask your registered agent to lodge on your behalf.

How long to keep records

You need to keep these records for 5 years starting from when you prepared or obtained the records, or completed the transactions or acts those records relate to, whichever is later.

You should keep records long enough to cover the period of review (also known as the amendment period) for an assessment that uses information from the record. When your assessment is amended, the period of review for that amended assessment starts from the day after we give you the notice of amended assessment.

See [Record keeping for business](#).

Fuel tax credit business records – overview

- https://www.ato.gov.au/Business/Record-keeping-for-business/Detailed-business-record-keeping-requirements/Running-your-business---records/Business-activity-statement-records/Fuel-tax-credit-business-records/
- Last modified: 11 Jan 2023
- QC 60738

To work out your business's fuel tax credits accurately and support your claims, you need to keep complete and accurate records.

On this page:

- Overview of business records required for fuel tax credits
- How long you need to keep fuel tax credit records

Overview of business records required for fuel tax credits

Fuel tax credit records information and examples

Information your records need to show	Examples of types of records
• You are carrying on a business • The type, date and quantity of fuel that you acquired for your business activities • How the fuel was used in your business for eligible and ineligible activities • You applied the correct rate when calculating how much you could claim • That the vehicle meets one of the environmental criteria (if it is a heavy diesel vehicle manufactured before 1 January 1996)	• Tax invoices, bank statements • Log books • Fuel supplier statements • Copies of contracts to show that you are carrying on a business and the activities that the fuel was used in • Worksheets and other details showing work carried out • Fuel issue records • Odometer readings, route distances • GPS/telematics data to show where the fuel has been used in your vehicles, equipment and/or machinery • Calculation worksheets • Service records and maintenance schedules

You will need to keep more than one of these record types to support your claims.

If you claim less than $10,000 in fuel tax credits each year, you can use the simplified approach to keep records and calculate your claim. If you are using heavy vehicles with auxiliary equipment, you can use the simplified method for calculating the amount of fuel used, which will make record keeping simpler and remove the need for sample testing.

If you are a primary producer, you should also check the special considerations regarding fuel tax credit records you are required to keep.

Detailed information is available via the links below about the records you need to keep.

Next step:

- Working out your fuel tax credits
- Heavy vehicles – records you need to keep
- Heavy vehicles – simplified method
- Record keeping in the primary production industry – fuel tax credits
- FTD 2006/2 *Fuel tax: what records are required to be kept by taxpayers to substantiate a claim for a fuel tax credit*

How long you need to keep fuel tax credit records

You need to keep these records for five years, starting from when you prepared or obtained the records, or completed the transactions or acts those records relate to, whichever is later.

You should keep records long enough to cover the period of review (also known as the amendment period) for an assessment that uses information from the record.

Find out about:

- Records connected to an assessment that's amended
- Index – Record keeping for business

See also:

- Fuel tax credits – business
- FTD 2006/2 *Fuel tax: what records are required to be kept by taxpayers to substantiate a claim for a fuel tax credit*
- Heavy vehicles
- Work out the quantity of fuel

Luxury car tax (LCT) records – overview

- https://www.ato.gov.au/Business/Record-keeping-for-business/Detailed-business-record-keeping-requirements/Running-your-business---records/Business-activity-statement-records/Luxury-car-tax-(LCT)-records/
- Last modified: 11 Jan 2023
- QC 60739

If your business sells or imports luxury cars, you need to record your sales and import transactions so you can report your liabilities accurately and substantiate any adjustments, credits or refunds.

Luxury car tax (LCT) records information and examples

Information your records need to show	Examples of types of records
• You are conducting an enterprise involving trading in luxury cars • How you acquired, imported, purchased and paid for the cars • How you've used a car while you held it • How you've sold, exported or otherwise resupplied the car • A valid Australian business number (ABN) quotation	• Motor dealer's licence, road safety certificates • Tax invoices, sales contracts • Log books, odometer readings, insurance details • Export documentation, • Import declarations showing date of import • ABN quotation form

How long you need to keep your LCT records

You need to keep these records for five years, starting from when you prepared or obtained the records, or completed the transactions or acts those records relate to, whichever is later.

You should keep records long enough to cover the period of review (also known as the amendment period) for an assessment that uses information from the record.

Find out about:

- Records connected to an assessment that's amended
- Index – Record keeping for business

See also:

- Luxury car tax – reporting and keeping records – detailed requirements

Wine equalisation tax (WET) records

- https://www.ato.gov.au/Business/Record-keeping-for-business/Detailed-business-record-keeping-requirements/Running-your-business---records/Business-activity-statement-records/Wine-equalisation-tax-(WET)-records/
- Last modified: 11 Jan 2023
- QC 60740

If your business is required to account for wine equalisation tax (WET), you need to keep records to show how you calculated your liability or entitlement (if applicable).

On this page:

Records required for WET

WET records information and examples

Information your records need to show	Examples of types of records
You need to keep documentation to show how you calculated your liability or entitlement (if applicable). This may include records of: • your sales of wine • wine you have applied to your own use • buying or selling wine under quote, including periodic quotes • sale or distribution contracts and other arrangements • bad debts written off • import and export transactions.	• Tax invoices • Accounting records • Production records • Sales contracts • Quotes in the approved form • Import/export documents
If you're claiming the producer rebate you need to keep records showing that you meet all the eligibility criteria for claiming the rebate including evidence that: • your products meet the definition of wine for WET purposes • you are the producer of the wine • you or the first purchaser were liable to WET for an assessable dealing with the wine • you met the source product ownership requirement • the packaging and branding requirements were met.	• Product recipes and production records • Contract processing agreements • Sales records • Sales contracts • Quotes in the approved form • Purchase

	contracts for source product • Weighbridge documents • Certificate of trademark registration or evidence of prior use

How long you need to keep WET records

You need to keep these records for five years, starting from when you prepared or obtained the records, or completed the transactions or acts those records relate to, whichever is later.

You should keep records long enough to cover the period of review (also known as the amendment period) for an assessment that uses information from the record.

Find out about:

- Records connected to an assessment that's amended
- Index – Record keeping for business

See also:

- Wine equalisation tax
- Wine equalisation tax – Producer rebate
- PCG 2019/3 *Practical Compliance Guideline: Wine Equalisation Tax: attribution and retention of title clauses*
- WETR 2009/1 *Wine Equalisation Tax Ruling Wine Equalisation Tax : the operation of the wine equalisation tax system* – includes further information about the period of review timeframe

Income tax return records – business

- https://www.ato.gov.au/Business/Record-keeping-for-business/Detailed-business-record-keeping-requirements/Running-your-business---records/Income-tax-return-records---business/
- Last modified: 09 Dec 2019
- QC 60741

Your business records must contain enough information for you to be able to accurately calculate and substantiate the income, expenses and other amounts you report in your income tax return.

We may review your tax return and ask for copies of your records to check the information provided. If we are unable to verify these claims, we may adjust your return. We will contact you before this occurs.

On this page:

- How long to keep tax return records
- Additional records related to your business structure
- Records required to claim the research and development tax offset

Find out about:

- Record-keeping tips
- Records required for your tax return – income
- Records required for your tax return – deductions
- Stock and asset records
- Personal services income records

How long to keep tax return records

The records of the information you use to complete your tax return need to be kept for five years, starting from when you prepared or obtained the records, or completed the transactions or acts those records relate to, whichever is later.

You should keep records long enough to cover the period of review (also known as the amendment period) for an assessment that uses information from the record.

Find out about:

- Records connected to an assessment that's amended

How long to keep cash register tapes

If you use cash register tapes, they can be discarded after one month if you keep Z-totals, which have been reconciled with actual sales and the amount you banked.

If you don't keep the Z-totals and reconciliations, you must keep the full rolls of tape for five years.

Additional records related to your business structure

If your business structure is a partnership, trust or company, there are some additional specific records that you need to keep to support the information you include in your income tax return. Refer to:

- Company tax return instructions 2020 – record-keeping requirements
- Partnership tax return instructions 2020 – record-keeping requirements
- Trust tax return instructions 2020 – record-keeping requirements

See also:

- Sole trader – Individual tax return – record-keeping requirements
- Research and development tax incentive – Keeping records
- Income and deductions for business

Records required to claim the research and development tax offset

If your business is a company and you're eligible to claim the tax offset available under the Research and development (R&D) tax incentive, your business records must be sufficient to verify:

- the amount of the expenditure incurred on R&D activities
- the nature of the R&D activities
- the relationship of the expenditure to the activities
- that you have correctly dealt with any special rules that apply to your claim.

You should keep documents to show how you apportioned expenditure between your eligible core R&D activities and supporting R&D activities as opposed to your other non-R&D activities. Your records should also show how you dealt with special rules about building costs, depreciation and income relating to your R&D claim for past claims.

Your records should be kept from when you carried out your activities. Relying only on records you create later when preparing your return can result in your claim being rejected.

See also:

- Research and development tax incentive - Keeping records – detailed record-keeping requirements

Records required for your business's tax return – income

- https://www.ato.gov.au/Business/Record-keeping-for-business/Detailed-business-record-keeping-requirements/Running-your-business---records/Income-tax-return-records---business/Business-income-records/
- Last modified: 28 Nov 2019
- QC 60742

Your business records must contain enough information for you to be able to accurately calculate and substantiate the income you report in your income tax return.

Tax return records – income – information and examples

Information your records need to show about your business's assessable income	Examples of types of records
Gross sales and income from your business received in cash, online, using credit or debit cards or using EFTPOS. Other money received such as: • income earned from the sharing economy • foreign income • personal services income – refer to PSI records • some payments outside of ordinary business activities • government payments • assessable income from crowd funding activities • commissions, investment earnings, gratuities and compensation payments • sale of assets (this may also trigger a CGT event or balancing adjustments for depreciating assets for income tax) • interest on a loan.	• Tax invoices • Bank statements • Merchant facility statements (for EFTPOS and credit card facilities) • Receipt books, cash receipts • EFTPOS receipts • Tap-and-go (contactless) payment records • Smart phone and tablet card processing records • Online payment receipts (for example, eBay, PayPal, Stripe, WeChat) • Cash register tapes • Records of cash sales • Actual cost of sales analysis • Reconciliation of daily sales sheets • Loan agreements

Find out about:

- Income tax return records - business
- How long to keep tax return records
- Record-keeping tips

See also:

- Assessable income - what income to include
- The cash and hidden economy – what activities are included
- The shadow economy explained – what we are doing to combat it

Records required for your business's tax

return – deductions

- https://www.ato.gov.au/Business/Record-keeping-for-business/Detailed-business-record-keeping-requirements/Running-your-business---records/Income-tax-return-records---business/Business-deductions-records/
- Last modified: 11 Jan 2023
- QC 60743

To claim deductions in your tax return for business expenses, you must have the records to substantiate your claims. Your records must also show how you worked out the business use proportion of relevant expenses.

Details about the records you need to keep for claiming deductions for common business expenses are provided below:

- motor vehicle expenses
- business travel expenses
- home-based business expenses
- other business expenses

Motor vehicle expenses

Tax return records information and examples

Information your records need to show about your motor vehicle expenses	Examples of types of records
The records you need to keep depend on how you calculate your claim. You will generally need to keep: • details of the kilometres travelled for business and private use • loan or lease information • registration information • details of how you calculated your claim. If you are a sole trader or partnership using the logbook method, you will need to keep additional records. Your logbook must contain: • when the logbook period begins and ends • the car's odometer readings at the start and end of the logbook period • the total number of kilometres the car travelled during the logbook period • the number of kilometres travelled for each journey. If you make two or more journeys in a row on the same day, you can record them as a single journey • the odometer readings at the start and end of each subsequent income year your logbook is valid for	• Registration papers • Loan or lease documents • Fuel and oil receipts, tax invoices • Repairs and servicing receipts • Insurance documents • Logbooks • ATO app – electronic logbook (for sole traders)

• the business-use percentage for the logbook period • the make, model , engine capacity and registration number of the car. For each journey, record the: • reason for the journey (such as a description of the business reason or whether it was for private use) • start and end date of the journey • odometer readings at the start and end of the journey • kilometres travelled.	

See also:

- Motor vehicles expenses

Business travel expenses

Tax return records information and examples

Information your records need to show about your business travel expenses	Examples of types of records
Business travel expenses: • information to substantiate your business travel expenses • how you separate your business and private use portions.	• Tax invoices • Boarding passes • Tickets • Travel diaries

See also:

- Business travel expenses

Home-based business expenses

Tax return records information and examples

Information your records need to show about your home-based business expenses	Examples of types of records
• Information to substantiate your claims for all of your home-based business expenses. • How you separate your business and private use portions (for example, a diary over a representative four-week period or records of how you calculated	Tax invoices or receipts for: • purchase and repairs of furniture and equipment

the percentage of your floor plan dedicated to your business).	used for your business • utility bills and cleaning expenses • mortgage interest, rent, insurance and council rates (if you claim occupancy expenses) • rental contract between homeowner and business (if you claim occupancy expenses) Diary Evidence of calculations

See also:

- Home-based business expenses

Other business expenses

Tax return records information and examples

Information your records need to show about other business expenses	Examples of types of records
Other business expenses you pay for in cash, online, or using credit or debit cards, which you will claim as a tax deduction, including: • salary, wages and super • repairs, maintenance and replacement expenses • operating expenses • depreciating assets and capital expenses. Your records must show how you worked out the business use proportion of relevant expenses.	• Receipts • Tax invoices • Cheque book receipts • Credit card vouchers • Diaries to record cash expenses • Purchase records from suppliers • Work sheets for calculations

	• Records of choice of super fund

See also:

- Claiming a tax deduction for salary, wages and super
- Claiming a tax deduction for repairs, maintenance and replacement expenses
- Claiming a tax deduction for operating expenses
- Claiming a tax deduction for depreciating assets and capital expenses

Find out about:

- Income tax return records - business
- How long to keep tax return records
- Record-keeping tips

Stock and asset records

- https://www.ato.gov.au/Business/Record-keeping-for-business/Detailed-business-record-keeping-requirements/Running-your-business---records/Income-tax-return-records---business/Stock-and-asset-records/
- Last modified: 28 Nov 2019
- QC 60744

You need to keep records of all transactions related to buying, maintaining, repairing and selling business assets or stock so you can substantiate the amounts reported in your tax return.

Find out about:

- Records from stocktakes
- Records of depreciating assets
- Records of capital gains or losses from capital gains tax assets

Records from stocktakes

If your business buys or sells stock and is required to do a stocktake, you need to keep records showing the following information:

- a list describing each article of stock on hand and its value
- who did the stocktake
- how and when it was done
- who valued the stock and the basis of the valuation.

If you are a primary producer, you should also check the special considerations regarding trading stock records you are required to keep.

Most stock records need to be kept for five years. The five years starts from when you prepared or obtained the records, or completed the transactions or acts those records relate to, whichever is later.

You should keep records long enough to cover the period of review (also known as the amendment period) for an assessment that uses information from the record.

Find out about:

- Records connected to an assessment that's amended

See also:

- Accounting for business trading stock
- Using trading stock for private purposes
- Record keeping in the primary production industry – trading stock
- Index – Record keeping for business

Records of depreciating assets

- https://www.ato.gov.au/Business/Record-keeping-for-business/Detailed-business-record-keeping-requirements/Running-your-business---records/Income-tax-return-records---business/Stock-and-asset-records/Records-of-depreciating-assets/
- Last modified: 28 Nov 2019
- QC 60745

You generally need to keep records of depreciating assets for as long as you have the asset, and then another five years after you sell, or otherwise dispose of, the asset. However, there are different time periods and requirements that apply if the depreciating asset is in a low-value pool or is subject to rollover relief.

On this page:

- Records required for depreciating assets
- Records required for depreciating assets in a low-value pool
- Record keeping for rollover relief

Records required for depreciating assets

Depreciating assets records information and examples

Information your records need to show	Examples of types of records

• The first element of cost (generally the purchase price)
• Any second elements of cost (generally the expense of getting the asset ready for use)
• The opening adjustable value for the income year
• Any adjustments made to cost or adjustable value
• The date you started holding the asset and its start time
• The rate or effective life used to work out the decline in value
• The method used to work out the decline in value
• The amount of your deduction for the decline in value and any reduction for use of the asset for a non-taxable purpose
• The adjustable value at the end of the income year
• Any recoupment of cost you have included in assessable income
• If a balancing adjustment event occurs for the asset during the year:
  ◦ the date of the balancing adjustment event
  ◦ termination value
  ◦ adjustable value at that time
  ◦ the balancing adjustment amount
  ◦ any reduction of the balancing adjustment amount
  ◦ details of any rollover or balancing adjustment relief
 	
You must also keep:
• details of how you worked out the effective life of a depreciating asset where you have not adopted the effective life determined by the Commissioner of Taxation
• if you have recalculated the effective life of an asset
  ◦ the date of the recalculation
  ◦ the recalculated effective life
  ◦ the reason for the recalculation
  ◦ details of how you worked out the recalculated effective life
 	
• information you used to work out your claim,
	• Original documents such as suppliers' invoices and receipts for expenditure on the depreciating asset
	• Depreciation schedule
	• Sale contract

such as the amount of any private use of the assets.	

Additional record-keeping requirements apply if you acquire an asset from an associate, or if you acquire a depreciating asset and the user is the same or is an associate of the former user.

See also:

- Claiming a tax deduction for depreciating assets
- Depreciation and capital expenses and allowances

Records required for depreciating assets in a low-value pool

Depreciating assets in a low value pool record information and examples

Information your records need to show	Examples of types of records
The start time of assets in the pool and the date you started holding them The closing pool balance at the end of the previous income year Any second elements of cost incurred for the income year for assets in the pool at the end of the previous income year The opening adjustable value of any low-value assets you have allocated to the pool for the income year The first element of cost of any low-cost assets allocated to the pool for the income year The second element of cost of low-cost assets and low-value assets allocated to the pool for the income year The taxable use percentage of each amount added to the pool for the income year The termination value and taxable use percentage for any assets in the pool in respect of which a balancing adjustment event occurred during the income year and the date of the balancing adjustment event The closing pool balance The decline in value Any amount included in assessable income because the taxable use percentage of the termination value	• Original documents such as suppliers' invoices and receipts for expenditure on the depreciating asset • Depreciation schedule • Sale contract

exceeds the closing pool balance, and any recoupment of cost you have included in assessable income	

A capital gain or capital loss may arise when a balancing adjustment event occurs either:

- for a depreciating asset, which you expect to use for a non-taxable purpose
- for a depreciating asset, which you have allocated to a low-value pool and expect to use for a non-taxable purpose.

If either of the above occurs, you must keep the following information:

- the first and second elements of cost
- the termination value and taxable use percentage.

When to start keeping records

Generally, records relating to a depreciating asset allocated to a low-value pool must be kept for five years, starting from the end of the income year in which the asset is allocated to the pool.

There are two exceptions:

- If an amount is included in the second element of an asset's cost after the asset is allocated to a low-value pool, the records of the cost must be kept for five years from the time the expenditure is incurred.
- Records of acquisitions relating to delayed claims for GST input tax credits must be kept for at least five years after lodgment. If a claim for input tax credits relates to a depreciating asset in a low-value pool, the record of acquisition may need to be kept for five years which begins later than the end of the income year in which the asset is allocated to the pool.

Record keeping for rollover relief

If automatic rollover relief applies, the transferor must give the transferee a notice containing enough information for the transferee to work out how the uniform capital allowance (UCA) rules apply to the transferee's holding of the depreciating asset. Generally, this needs to be done within six months after the end of the transferee's income year in which the balancing adjustment event occurred.

The transferee must keep a copy of the notice for five years after the asset is:

- disposed of
- lost or destroyed (whichever happens earlier).

If a transferor and transferee jointly choose rollover relief, the decision must be in writing and must contain enough information for the transferee to work out how the UCA rules apply to the transferee's holding of the depreciating asset. Generally, the choice needs to be made within six months after the end of the transferee's income year in which the balancing adjustment event occurred.

The transferor must keep a copy of the agreement for five years after the balancing adjustment event occurred. The transferee must keep a copy for five years after the next balancing adjustment event that occurs for the asset.

See also:

- Guide to depreciating assets – more information about record keeping and explanations of the technical terms used on this page
- Depreciation and capital expenses and allowances
- Claiming a tax deduction for depreciating assets and other capital expenses

Records of capital gains or losses from capital gains tax assets

- https://www.ato.gov.au/Business/Record-keeping-for-business/Detailed-business-record-keeping-requirements/Running-your-business---records/Income-tax-return-records---business/Stock-and-asset-records/Capital-gains-tax-asset-records/
- Last modified: 11 Jan 2023
- QC 60746

When you acquire a capital gains tax (CGT) asset, you need to start keeping good records as there may be a long period of time between acquiring and disposing of the asset. Without these records, you may end up paying more tax than necessary.

CGT records information and examples

Information your records need to show	Example of records
You must keep records of every transaction, event or circumstance that may be relevant to working out whether you've made a capital gain or loss from a capital gains tax (CGT) event, including: • records of the date you acquired an asset and the cost of that asset • records of the date you disposed of an asset and any proceeds you received when you disposed of it • details of commissions you paid or legal expenses you incurred for an asset • details of improvements you made to an asset (for example, building costs such as renovation or structural improvements)	• Receipts of purchase or transfer • Purchase contract • Sale contract • Records of agent, accountant, legal and advertising costs • Receipts for

• details of interest on money you borrowed relating to the asset • records to establish whether you've claimed an income tax deduction for an item of expenditure.	insurance costs, rates and land taxes • Any market valuations • Receipts for the cost of maintenance, repairs and modifications • Accounts showing brokerage fees on shares

How long you need to keep capital gains tax (CGT) records

You need to keep CGT records for five years after you sell or otherwise dispose of an asset, unless you keep an asset register.

Keeping an asset register may allow you to discard some records that you might otherwise need to keep for a long time. Once details have been entered into the register and the register has been certified by an approved person (such as a registered tax agent), you only have to keep the documents for five years from the date the register is certified.

For a CGT event that resulted in a capital loss which you've offset against a capital gain in a later year, you need to keep records from the year of the offset, for a further:

- two years for individuals or small businesses
- four years for other taxpayers.

See also:

- Record keeping for CGT – full details of record-keeping requirements, depending on your situation and the type of CGT asset
- Keeping records for CGT small business concessions
- TR 2002/10 *Income tax: capital gains tax: asset register*
- Income and deductions for business

Personal services income records

- https://www.ato.gov.au/Business/Record-keeping-for-business/Detailed-business-record-keeping-requirements/Running-your-business---records/Income-tax-return-records---business/Personal-services-income-records/
- Last modified: 28 Nov 2019
- QC 60747

You need to keep records explaining all transactions that relate to your tax affairs, including personal services income (PSI). If more than one individual in your business is generating PSI, you need to keep records relating to each individual.

On this page:

- Records required for PSI
- How long you need to keep PSI records

Records required for PSI

PSI records information and examples

Information your records need to show	Examples of types of records
• Whether the income is PSI • How you worked out if the PSI rules apply • Which expenses apply to any PSI received for each individual • The deductions you can claim against the PSI for each individual	• Tax invoices • Time sheets submitted to the client or labour hire firm • Contracts with schedules • Diaries detailing what work was performed, when and for whom • Evidence of contract negotiations such as relevant letters or emails or both • Copies of leases or rental agreements or both • Bank statements and receipts • Vehicle log books

How long you need to keep PSI records

You need to keep your PSI records for five years, starting from when you prepared or obtained the records, or completed the transactions or acts those records relate to, whichever is later.

You should keep records long enough to cover the period of review (also known as the amendment period) for an assessment that uses information from the record.

Find out about:

- Records connected to an assessment that's amended
- Index – Record keeping for business

Taxable payments annual report records

- https://www.ato.gov.au/Business/Record-keeping-for-business/Detailed-business-record-keeping-requirements/Running-your-business---records/Taxable-payments-annual-report-records/
- Last modified: 04 Nov 2022
- QC 60748

Work out what records you need to keep to complete a Taxable payments annual report (TPAR).

On this page

- Records required for your TPAR
- How long you need to keep TPAR records

Records required for your TPAR

If your business is required to complete a TPAR, you need to keep records about payments made to contractors for providing certain services. Some government entities also need to report payments and grants they have made in a TPAR.

Your records need to show the contractor's details and the payments made to them for supplying:

- building and construction services
- cleaning services
- courier services
- road freight services
- IT services
- security, investigation or surveillance services.

The types of records you need to keep include:

- invoices from each contractor
- written contracts
- reimbursements made to contractors
- invoices, receipts created or otherwise, showing how payments were made
- receipts or evidence of insurances or licences you held or maintained for workers.

If you keep manual records, you can download a taxable payments reporting worksheet (PDF 75KB) to help track contractor payments throughout the financial year. You can use the details in the worksheet to complete your TPAR but you don't need to send the worksheet to us.

How long you need to keep TPAR records

You need to keep these records for 5 years starting from when you prepared or obtained the records or completed the transactions or acts those records relate to, whichever is later.

There are some situations where you will need to keep records for longer than the general 5-year retention period.

Fringe benefits tax return records

- https://www.ato.gov.au/Business/Record-keeping-for-business/Detailed-business-record-keeping-requirements/Running-your-business---records/Fringe-benefits-tax-return-records/
- Last modified: 28 Nov 2019
- QC 60749

As an employer, you must keep all records relating to the fringe benefits you provide to your employees or your employee's family or other associates, including how you calculated the taxable value of benefits.

You must also keep records if you want to take advantage of various exemptions or concessions that reduce your fringe benefits tax (FBT) liability.

On this page:

Records required for FBT

FBT records information and examples

Information your records need to show	Examples of types of records
You must keep all records relating to the fringe benefits you provide, including how you calculated the taxable value of benefits. Your records must also show justification of claims for exemptions or concessions that reduce your FBT liability.	• Calculations • Worksheets • Employee declarations • Elections • Invoices • Receipts

	• Bills of sales • Lease documents • Travel diaries • Fleet management records • Logbooks • Odometer records • Valuations – if and when required • Purchase receipts for vehicles • Receipts for service/maintenance for vehicles • Estimates of your FBT liability if you choose to vary the FBT amount

Where your associate has provided a fringe benefit to your employee, the associate is required to provide copies of the records to you within 21 days of the end of the FBT year.

How long you need to keep FBT records

You generally need to keep FBT records for five years from the date your FBT return was lodged. If you don't have to lodge, use the due date for lodgment of FBT returns, which is generally 21 May.

If your associate provides a fringe benefit to your employee (or your employee's associate), they also need to keep FBT records for five years from the completion of the transaction or action.

Find out about:

- Index – Record keeping for business

See also:

- FBT record keeping
- Fringe benefits tax
- FBT instalment
- Fringe benefits tax – a guide for employers – Chapter 4 Fringe benefits tax record keeping
- Employee declarations

Employment and payroll records – business

- https://www.ato.gov.au/Business/Record-keeping-for-business/Detailed-business-record-keeping-requirements/Running-your-business---records/Employment-and-payroll-records/
- Last modified: 16 Sep 2022
- QC 60750

As an employer, it's important that you understand your record-keeping obligations when it comes to your employees.

On this page

Employees and contractors

Your tax, superannuation and employer obligations, and the records you need to keep, will vary depending on whether your worker is an employee or a contractor so it's important you know the difference.

Reporting payments to your employees through Single Touch Payroll (STP) doesn't change your existing record-keeping obligations. There are no additional records you need to keep.

Records for payments made to employees

Employee payments records information and examples

Information your records need to show	Examples of types of records

Payments of your employees':
• salaries and wages
• bonuses
• allowances or other kinds of payments, including
  ◦ tips and gratuities (you need to show what amounts have been paid to your employees and what you retain)
  ◦ termination payments
  ◦ redundancy payments
  ◦ leave payments.
	Tax file number declarations or employee tax details summary printout from ATO online services
	Withholding declarations, including withholding variation notices, you obtain from employees
	Worker payment records
	Records of wages, allowances and other payments made to workers
	Single Touch Payroll reports
	Records of payments made to all payees

	Payment summaries or income statements Reconciliation of daily sales and cash payments book, if paying wages in cash

If your employees receive tips, we also recommend you develop and apply a written policy to deal with, at a minimum, how you:

- collect and record tips you receive from customers
- distribute tips to your staff (and how often)
- will resolve any disputes about the policy.

As an employer, you may have responsibilities under the Privacy Act, including the *Privacy (Tax File Number) Rule 2015* that regulates the collection, storage, use, disclosure, security and disposal of individuals' TFN information. For more information, see the Tax file numbers guidance published by the Office of the Information Commissioner (OAIC).

How long to keep employee payments records

You need to keep these records for five years. The five years starts from when you prepared or obtained the records, completed the transactions or acts those records relate to, whichever is later.

You should keep records long enough to cover the period of review (also known as the amendment period) for an assessment that uses information from the record. For records connected to an assessment that's amended, the period of review for that amended assessment starts from the day after we give you the notice of amended assessment.

For more information about hiring, see:

- Engaging a worker
- the People section on business.gov.au.

Records for super contributions for employees

You must keep records that adequately explain your super transactions for your employees. Even if you use a clearing house to distribute super to your employees' funds, you're still responsible for keeping adequate records of super guarantee payments.

Records for super contributions

Information your records need to show	Examples of types of records
How you worked out the amount of super you contributed for each employee	Bank statement showing payment to a super fund,

Factors that affect the amount of super you must contribute, such as advice you have received from trustees about the funds to which you contribute Salary sacrifice amounts, including information about how they're calculated and employee's choice If you fail to meet your super obligations and are liable to pay the super guarantee charge, you must also keep details of how you worked out the amounts shown in your super guarantee charge statement	Retirement Savings Account (RSA) or super clearing house Confirmation from a SuperStream compliant payroll system, super fund online system or super clearing house showing a successful payment Receipts or other documents issued by super funds showing that you have made super contributions for employees to their chosen fund Contribution receipts showing the date, contribution period, amount, fund and member account number for each employee Documents that can show how you worked out the amount of super paid for each employee Documents required to work out the super guarantee shortfall for an employee for a quarter

You need to keep super contributions records for 5 years from the date of the contribution.

Records for super fund choice for your employees

Records for super fund choice

Information your records need to show	Examples of types of records
For employees eligible to choose which super fund they want you to pay into, you will need to keep records: • showing you have offered eligible employees the choice • of the written information provided by an employee nominating their chosen fund or RSA. For employees who aren't eligible to choose their fund,	Completed Superannuation standard choice form Evidence that you have given the *Standard choice form* to all eligible employees (for example, you may issue this form by email and retain copies of the emails) Details of any employees you don't have to offer a choice of super fund to

keep records of: • why employees haven't been offered a choice • which employees you don't have to offer a choice of super fund to. You will also need to keep records to confirm that: • your nominated (default) fund offers a MySuper product • the super fund meets specific requirements and obligations under super law.	

Super fund choice records need to be kept for 5 years from the date of employee engagement or when an employee is offered, chooses or changes their choice of fund.

If you make super contributions under an award or employment agreement, this may impose additional record-keeping obligations, so check your relevant award or regulation.

Records for pay as you go withholding (PAYG withholding)

Record-keeping requirements for PAYG withholding are covered in PAYG records.

Records for fringe benefits provided

Record-keeping requirements for fringe benefits provided are covered in Fringe benefits tax return records.

Contractor and supplier records – business

- https://www.ato.gov.au/Business/Record-keeping-for-business/Detailed-business-record-keeping-requirements/Running-your-business---records/Contractor-and-supplier-records/
- Last modified: 28 Nov 2019
- QC 60751

If your business engages contractors and suppliers, you will need to keep all records relating to payments made to them in order to claim deductions.

If your business pays contractors (including cash payments) to provide certain services on your behalf, you may also need to complete a *Taxable payments annual report* (TPAR) reporting these payments to us. To find out about which businesses need to complete a TPAR and when reports are due, refer to our information on Taxable payments annual report.

Examples of the type of records you need to keep include:

- contracts or written agreements
- invoices issued and received
- amounts paid
- payment summaries or income statements issued
- superannuation payments (if applicable)
- voluntary requests made by a contractor for you to withhold tax amounts from payments
- tax you withheld from payments when a supplier doesn't quote their ABN.

See also:

- Taxable payments annual report records

How long you need to keep contractor and supplier records

You need to keep these records for five years starting from when you prepared or obtained the records, or completed the transactions or acts those records relate to, whichever is later.

You should keep records long enough to cover the period of review (also known as the amendment period) for an assessment that uses information from the record.

Find out about:

- Records connected to an assessment that's amended
- Employment and payroll records businesses need to keep
- Index – Record keeping for business

See also:

- Difference between employees and contractors
- Payments under a voluntary agreement
- Statement by a supplier not quoting an ABN
- Super for employers

Petroleum resource rent tax records

- https://www.ato.gov.au/Business/Record-keeping-for-business/Detailed-business-record-keeping-requirements/Running-your-business---records/Petroleum-resource-rent-tax-records/
- Last modified: 11 Jan 2023
- QC 60752

If your business is required to pay petroleum resource rent tax (PRRT), you need to keep records of your PRRT affairs.

On this page:

Overview of PRRT records required

PRRT records information and examples

Information your records need to show	Examples of types of records
Explanation of all transactions and other acts that are relevant for determining your PRRT liability for each project interest you hold.	• Contracts • Agreements • Lifting schedules • Billing statements • Invoices • Financial statements

If you hold interests in exploration permits and retention leases, you should also keep records to meet future PRRT obligations.

How long you need to keep PRRT records

Your need to keep PRRT records for seven years or longer after the completion of the transactions or acts to which they relate. With PRRT, there are often many years between expenses being incurred and those expenses being claimed.

Find out about:

- Index – Record keeping for business

See also:

- Record keeping for PRRT – detailed record-keeping requirements

Sharing economy records – business

- https://www.ato.gov.au/Business/Record-keeping-for-business/Detailed-business-record-keeping-requirements/Running-your-business---records/Sharing-economy-records/
- Last modified: 10 Feb 2023
- QC 60753

If your business participates in the sharing economy, you need to keep records of all related income and expenses, including:

- statements from digital platforms showing your income
- receipts of any expenses you want to claim deductions for.

Record keeping for motor vehicle expenses depends on the method you use to calculate your claim. For more information about calculating your claim, see Motor vehicle expenses.

Sole traders can keep records by using the ATO app's myDeductions tool. For example, if you are a ride-sourcing driver, you can:

- include income from ride-sourcing and record how much GST is included
- take a photo of receipts and enter details
- indicate that a percentage is for private use
- use the 'add trip' function to set up a logbook and record your trips.

How long you need to keep sharing economy records

Generally, you need to keep these records for five years from when you prepared or obtained the records, or completed the transactions or acts those records relate to, whichever is later.

You should keep records long enough to cover the period of review (also known as the amendment period) for an assessment that uses information from the record.

Find out about:

- Records connected to an assessment that's amended
- Index – Record keeping for business

See also:

- The sharing economy and tax
- Ride-sourcing
- ATO app

Changing your business structure – records

- https://www.ato.gov.au/Business/Record-keeping-for-business/Detailed-business-record-keeping-requirements/Changing-your-business-structure---records/
- Last modified: 28 Nov 2019
- QC 60756

As your business grows or changes, you may decide to change your business structure. If you change your business structure, you will need to keep records of any decisions you make that affect your tax, superannuation or employer obligations.

If you do change the structure of your business, ensure you understand the obligations of the new structure.

Records required

Your records need to include information that shows that:

- appropriate controls and processes are in place to support compliance with tax, super and employer obligations and identify, assess and mitigate commercial and tax risks
- material transactions are well documented and subject to appropriate review and sign-off for tax risk purposes.

These types of records need to be kept for five years starting from when you prepared or obtained the records, or completed the transactions or acts those records relate to, whichever is later.

Find out about:

- Index – Record keeping for business

See also:

- Choosing your business structure
- Changing your business structure on the ABR on abr.gov.au
- Seven principles of effective tax governance

Selling or closing your business – records

- https://www.ato.gov.au/Business/Record-keeping-for-business/Detailed-business-record-keeping-requirements/Selling-or-closing-your-business---records/

- Last modified: 28 Nov 2019
- QC 60757

If you sell or close your business, you should call us so that we can let you know what you need to do. You may have to finalise some GST, employee, contractor or other obligations.

If you sell or close your business during a period of review, these records can still be requested in the event the business is subject to a review or audit.

You will have to keep records relating to:

- sales (including the sale of your business and assets) and purchases
- payments to employees
- payments to other businesses.

You need to keep these records for five years from when you prepared or obtained the records, or completed the transactions or acts those records relate to, whichever is later.

Find out about:

- Record keeping for rollover relief – for sale of assets
- Records connected to an assessment that's amended – period of review

See also:

- Changing, selling or closing your business
- Closing section on business.gov.au
- Cancel your ABN on abr.gov.au

You may also need to contact other government agencies to let them know of your change of situation. For example, if you are ceasing a company, contact the Australian Securities & Investments Commission (ASIC) to cancel your Australian company number (ACN).

Records from liquidation and insolvency

A company becomes insolvent when it is unable to pay its debts when they are due for payment.

An insolvent company is wound up on the application of relevant stakeholders such as creditors (including the ATO), shareholders or a regulatory agency (such as ASIC).

If the company is wound up, a liquidator is appointed which takes control of the existing company records. The liquidator is also responsible for preparing records to explain their acts and dealings relating to the company as a liquidator.

For tax purposes, the records are generally to be kept for five years. However, other regulatory bodies' laws may require records to be kept for a period of seven years.

We recommend that you check the record-keeping requirements of all the regulatory bodies you have been dealing with.

Find out about:

- Index – Record keeping for business

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.