

## Practice Workpapers Series

### Section K: CHECKLISTS – INCOME TAX

#### K3: Company Checklist

How to use this document:
This checklist is designed to assist in the determination and assessment of tax related issues and information required.

#### Disclaimer

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# COMPANY CHECKLIST

Name of Client:

Tax File Number:

Australian Business Number (ABN):

General	Y	N	N/A
<ul style="list-style-type: none"> <li>Is the company a registered Australian Company?</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>As at the last tax year end, how many shareholders are there in the company?</li> </ul> <p>Has there been a change of ownership over the last 12 months?</p> <p>Please list them and their corresponding shareholding.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Are or more of the above shareholders also shareholders of related or associated companies?</li> </ul> <p>If so, please list these companies and the shareholders and corresponding shareholding.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>What is the company's primary business and has there been an significant change in business from prior years?</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Is the company a part of a tax consolidated group?</li> </ul> <p>If so, please note all companies within the group and indicate the head company.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>What is the aggregated turnover of the company for the current and proceeding tax year?</li> </ul> <p>Please provide financial statements for the prior financial period.</p>			
<ul style="list-style-type: none"> <li>Is the company registered for Goods &amp; Services Tax (GST), Fringe Benefits Tax (FBT), Luxury Car Tax, Wine Equalisation Tax (WET) and/or Diesel Fuel Rebate?</li> </ul> <p>If so, please provide further details, including whether GST is declared on a cash or accrual basis?</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Were adequate accounting records, cash books and general ledgers maintained during the year?</li> </ul> <p>If so, please provide a copy of a trial balance and / or a detailed balance sheet or detailed income statement for the period.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Are company records maintained and administered in generic accounting software (MYOB, Quicken etc)?</li> </ul> <p>If so, please indicate which one, and provide a copy of the relevant year end file.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## COMPANY CHECKLIST

<b>Income</b>	<b>Y</b>	<b>N</b>	<b>N/A</b>
<ul style="list-style-type: none"> <li>Please indicate the company's main sources of income</li> </ul>			
<ul style="list-style-type: none"> <li>Does the company generate any non-assessable and exempt income? (examples include defence force income, disability pensions etc)</li> </ul> <p>If so, please indicate what income is incurred and to which accounts such sundry income has been allocated?</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Does the company receive any foreign income?</li> </ul> <p>If so, please indicate details including foreign tax paid?</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Did the company receive a distribution from another trust during the year?</li> </ul> <p>If so, please provide further details, including a breakdown of the different types of income.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Has the company's investment income been subject to TFN withholding tax?</li> </ul> <p>If so, please provide further information.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Does the company generate any non-assessable and exempt income?</li> </ul> <p>If so, please indicate what income is incurred and to which accounts such sundry income has been allocated?</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Did the company have any interest in a partnership at any time during the income year? Has such interest been accounted for at 30 June?</li> </ul> <p>If so, please provide further details.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Dividends Received</b>			
<ul style="list-style-type: none"> <li>Did the company receive a dividend by cash, in specie or as a dividend reinvestment plan (DRP), or from a related entity?</li> </ul> <p>If so please provide all details and dividend payment advices indicating as such. including franking credits</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>With regards to dividends, did the company hold the shares at risk for lease 45 days (known as the 45 day rule)?</li> </ul> <p>If no, please provide further details.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Did the company participated in a share buy back plan during the year?</li> </ul> <p>If so, please provide further details.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## COMPANY CHECKLIST

Expenses	Y	N	N/A
<ul style="list-style-type: none"> <li>Historically has the company claim any entertainment / private / staff expenses as a tax deduction?</li> </ul> <p>If so, please provide further details.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Does the company employ salaried and waged staff?</li> </ul> <p>If so, please provide details of salaries and wages records by employee, including PAYG withholding annual reports and group certificates.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>For employees, has the company satisfied its superannuation guarantee requirements?</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Does the company allow employees further salary sacrificing on superannuation?</li> </ul> <p>If so, please provide further details.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Have the company incurred any prepayments during the year? (prepaid insurance etc).</li> </ul> <p>If so, please provide further details.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Have all assets less than \$100 GST inclusive been shown as an expense?</li> </ul> <p>If so please indicate the predominant accounts used.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Has the company incurred any expense with regards to purchasing of developing software?</li> </ul> <p>If so, please provide further details.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Did the company acquire any plant and equipment, motor vehicle and or other assets during the year in excess of \$100?</li> </ul> <p>If so, please provide further details.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Did the company acquire any asset on HP / Chattel Mortgage or Lease during the year?</li> </ul> <p>If so, please provide details including copies of the relevant agreement.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Has the company disposed any asset during the year.</li> </ul> <p>If so, please provide further details.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Do all motor vehicle expenses relate to business usage?</li> </ul> <p>If not, please provide details of business usage.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Are motor vehicles made available to staff for private purposes?</li> </ul> <p>If so, please provide further details.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## COMPANY CHECKLIST

<b>Expenses (continued)</b>	<b>Y</b>	<b>N</b>	<b>N/A</b>
<ul style="list-style-type: none"> <li>Does the company have any foreign sourced debts (ie: payments to lending institutions/providers outside of Australia)?</li> </ul> <p>If yes, please provide further details.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Does the company accrue for expenses, either through accrual or trade and sundry creditors?</li> </ul> <p>If so, please provide further details including creditors and accruals listings if applicable.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Does the company business sell goods or provide services on credit?</li> </ul> <p>If so, please provide further details including trade debtor aged listings.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Were any trade debtors written off during the year?</li> </ul> <p>If so, please provide further details.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Are all trade debtors outstanding as at 30 June for the current year recoverable?</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Did the company incur any outgoings in relation to the set up of the business or project relating to a current or prior financial year?</li> </ul> <p>If so, please provide further details.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Did the company undertake any research and development expenditure during the current and prior financial periods?</li> <li>Is the company currently registered with AusIndustry in relation to such activities?</li> </ul> <p>If so, please provide further details.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Did the company make any payments to associated persons during the year, including beneficiaries, trustees and / or their family members?</li> </ul> <p>If so, please provide further details</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Capital Gains</b>	<b>Y</b>	<b>N</b>	<b>N/A</b>
<ul style="list-style-type: none"> <li>Did the company sell, dispose or redeem an asset during the year?</li> </ul> <p>If so, please provide further details and complete the Capital Gains Tax Checklist.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Stock</b>	<b>Y</b>	<b>N</b>	<b>N/A</b>
<ul style="list-style-type: none"> <li>Did the company have trading stock at any time during the year?</li> </ul> <p>If so, provide further details and complete the Trading Stock Checklist.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Rental Properties</b>	<b>Y</b>	<b>N</b>	<b>N/A</b>
<ul style="list-style-type: none"> <li>Does the company have a rental property?</li> </ul> <p>If so, please complete the Rental Properties Checklist.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## COMPANY CHECKLIST

<b>Corporate Beneficiary</b>	<b>Y</b>	<b>N</b>	<b>N/A</b>
<ul style="list-style-type: none"> <li>Is the Company a beneficiary of a Trust?</li> </ul> <p>If so, provide further information and complete to the Corporate Beneficiary Checklist.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Division 7A</b>	<b>Y</b>	<b>N</b>	<b>N/A</b>
<ul style="list-style-type: none"> <li>Has the company paid, made a loan or forgiven a loan to a shareholder, an associate of a shareholder or to a third party on the behalf of a shareholder or an associate of a shareholder during the year?</li> </ul> <p>If so, please complete the Division 7A Checklist.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Miscellaneous</b>	<b>Y</b>	<b>N</b>	<b>N/A</b>
<ul style="list-style-type: none"> <li>Does the company have carried forward assessed revenue or capital losses that it intends to use in the future?</li> </ul> <p>If so, please provide further details.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Does the company have any overseas interests or transactions?</li> </ul> <p>If so, please provide further details.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Has the company declared and / or paid a dividend during the year?</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Does the company make use of independent contractors?</li> </ul> <p>If so, are such contractors considered for superannuation and payroll tax?</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>