

Business Checklist 2021

Income Tax Year

Our checklist to help you collate your tax return information



Prepared by: Business Advisory Accounting & Tax Services Limited





Welcome

Welcome to a new income tax year. Our primary goal remains to provide you with professional, efficient tax preparation and consulting.

I know that, for many, there's so much to remember and collate when collating information ready to send to us. That's why we've designed this checklist.

Help minimise our fees

Our fees are affected by several factors – including the time and complexity due to special circumstances and the reliability of information supplied to us.

Our checklist is designed to save you time and money. Your contribution and effort you invest to complete it will be worth it and will help us to complete our work efficiently and to the highest standards. Delays (and increased fees) are inevitable if we need to request missing information.

How to use this checklist

We've written this checklist to help you to collate the information we need to prepare your 2021 financial statements and income tax return(s). The information required relates to the tax year from 1 April 2020 to 31 March 2021. If your income year is different, please contact us.

The checklist contains a series of boxes and questions, so you know you've given us the information and documentation we require.

If, after reading this guide, you have any questions, or need help with it, please call us on 09 449 0417.

Professional Standards

As members of the Association of Chartered Certified Accountants and New Zealand Institute of Chartered

Accountants, we are required to meet certain professional and quality control standards. This checklist is an essential part of that process.

Rental Property Checklist

If you own a rental property, please complete our Rental Property Checklist.

Trust Checklist

If you operated as a Trust, please complete our Trust Checklist.

Acknowledgement

Please take the time to complete this checklist as it's a very important part of the accounting process. When you've gathered your tax information, please make an appointment or if you feel an appointment is unnecessary, simply mail/email your information to us.

Please sign the acknowledgement page on page 10. We aim to process tax returns in the order that they're received and within four to six weeks. If you have a specific deadline or other time constraint, please let us know.

As always, thank you for your business and referrals, and I look forward to hearing from you soon. All the best for the year.

Mark Gwilliam FCCA CA
Director



Business Information Checklist

If you run a business, please provide the following information, where applicable:

Accounting Records

Please choose **one** of the following:

Xero or Other Cloud Based Software

Please provide:

- Bank statements showing the balance at 31 March 2021 for all bank and credit card accounts.
- A list of any unpresented cheques or uncleared deposits as at 31 March 2021.
- Access to the software, if we do not prepare your monthly accounts or GST returns.

Computerised Cashbook

Please provide:

- A bank statement showing the balance at 31 March 2021 for all bank and credit accounts.
- A list of any unpresented cheques or uncleared deposits as at 31 March 2021.
- A copy of your general ledger trial balance as at 31 March 2021.
- Detailed transaction listing of all items making up the General Ledger accounts for the year ended 31 March 2021.
- Bank Reconciliation as at 31 March 2021. Please ensure it is as at 31 March 2021 and not the date of bank statement.

Manual Cashbook (Manual/Excel)

Please provide:

- Your cash book, written up, analysed and reconciled to your bank statements from 1 April 2020 to 31 March 2021 for all bank accounts.
- A bank statement showing the balance at 31 March 2021 for all bank and credit accounts.

- A list of any unpresented cheques or uncleared deposits as at 31 March 2021.

Bank Statements, Cheque Butts, Deposit Books – No Accounting System

Please provide:

- Bank statements for all bank and credit card accounts covering 1 April 2020 to 31 March 2021.
- Cheque Butts covering 1 April 2020 to 31 March 2021, PLUS April 2021. Please ensure that:
 - a) Full details are recorded on the cheque butts, i.e. payee, amount of cheque, nature of payment and GST content.
 - b) Purchases of plant, equipment, vehicles and other fixed assets costing over \$500 are clearly identified on the cheque butt.
 - c) Personal transactions are clearly labelled.

For all other accounting software applications please contact us for advice.

Credit Card Transactions

If you used a personal credit card for business purposes, please provide your statements for the period covering 1 April 2020 to 31 March 2021. Please clearly highlight or specify all business transactions with a short description.

Cash Transactions

Please supply details and receipts of business expenses you paid from your personal bank accounts, credit cards, etc) during the year including payee and expense description – please record the GST **inclusive** amount.



Cash on Hand

Please provide the GST inclusive figure of unbanked takings, petty cash and till float that has not been included in your bank reconciliation.

Unbanked Sales	\$.....
Petty Cash Float	\$.....
Till float	\$.....

Cash Received but Not Banked

Please provide details of undeclared income and details of how it was spent (drawings, banked into another account, business expenses, etc).

Goods and Services Tax (GST)

Please supply copies of GST returns for the tax year, accompanied by your workings.

Stock or Work in Progress

Please provide values as at 31 March 2021.

Work in Progress	\$.....
Stock Sold on Consignment	\$.....
Stock in Transit	\$.....

Note: If you are holding stock on consignment or "sale or return" do not include such items when valuing stock. If your turnover is \$1.3 million or less for the year and you reasonably estimate your stock to be below \$10,000 you may use the same figure as last year. This method is optional, you may use a true value if you wish. Note that Raw Materials that have been included in work-in-progress, must not be included in Stock on Hand.

Obsolete Stock

Please provide values of stock you have either written off or is obsolete or damaged.

Obsolete Stock	\$.....
Damaged Stock	\$.....

You must have physically dumped any stock that you have not value.

Goods Taken for Personal Use

Please supply details of any business goods taken for your own use but not paid for, including description and cost including GST. Please indicate whether or not these have been adjusted for in GST returns.

Accounts Receivables (Debtors)

Please list any amounts owing to you as at 31 March 2021 on Schedule A on page 8.

Accounts Payables (Creditors)

Please list any amounts you owed as at 31 March 2021 on Schedule B on page 9.

Wages, PAYE and ACC

Please provide copies of your Employer Monthly Schedules (IR345 and IR348) and either your wages records or computerised payroll system reports.

ACC

Please provide copies of your ACC invoices and statements received or paid during the year.

Holiday Pay

Please provide details of accrued holiday pay and bonuses.

Holiday Pay Owed as at 31 March 2021	\$.....
Bonuses Owed as at 31 March 2021	\$.....
Holiday Pay Paid by 1 June 2021	\$.....
Bonus Paid by 1 June 2021	\$.....

Contractors and Subcontractor Payments

Please provide full details of payments made to contractors and subcontractors, including details of any tax withheld and invoices.



Fringe Benefit Tax (FBT)

Please supply copies of all FBT returns for the tax year, along with your workings.

Income

If you operated as a company, did you receive 80% or more of your income from a single customer or group of related customers?

Yes **No**

Legal expenses

Please provide invoices for any legal fees incurred.

Fixed assets

Please provide:

- Invoices for each item purchased over \$500.
- Hire purchase or lease agreements.
- Details of any assets you stopped using.

Overseas Travel

If you made any business trips overseas, please provide details of the purpose of the trip(s), dates, passengers, airfares, accommodation, meals, taxi-fares, etc, and dates of any private days.

Home Office and Storage

If you use part of your home **exclusively** as a home office or workshop to manage your business, you may be able to claim a percentage of home expenses. The percentage that you may claim is based on the size of your office compared to the size of your home. Please provide the following details:

Electricity and Gas	\$.....
Home and Contents Insurance	\$.....
Rent	\$.....
Mortgage Interest	\$.....

Land Rates	\$.....
Water Rates	\$.....
Repairs and Maintenance	\$.....
Other (Please Specify)	\$.....
Other (Please Specify)	\$.....

Total Area of House, Shed and Garage	.....m ²
Area used for Office and Storage	.....m ²

Loans, Hire Purchase and Leases

Please provide copies of:

- Any new agreements you made during the year.
- Loan, hire-purchase or lease statements, showing interest paid and balances as at 31 March 2021.
- Documentation of any loans, hire-purchase or leases repaid or refinanced during the year.
- Details of any security for each loan, hire-purchase or lease.

Overdrafts

Please provide.

Bank overdraft limit	\$.....
Bank overdraft interest rate%

Repairs and Maintenance

Please provide details of repairs and maintenance to business assets during the year, including copies of the invoices for each item purchased over \$500.

Motor Vehicle

If you operate as a **sole trader or partnership** and used a privately-owned motor vehicle, please provide details for **each** vehicle used.

Total kilometres travelled	.....km
Total business kilometres travelled	.....km



Have you updated your log-book in the last three years?

- Yes** **No**

Note: for your business you must generally keep a log book for a period of three months to calculate the business portion. This percentage will then be used for the next three years at which time a new log book may need to be kept. If you have not kept a log book for any vehicle which has private use, the maximum deduction is 25%. It is our policy to claim a maximum of **10%** if no log book is provided or unless you instruct us in writing to the contrary.

If you operate as a company, and a vehicle is available for private use, please provide the following details for each vehicle used:

Has FBT been paid during the year?

- Yes** **No**

Days Available for Private Use days

Entertainment

Generally only fifty-percent of entertainment expenses are tax deductible, with some exceptions. Meals on an overseas business trip and out of town food and subsistence (if not entertaining clients) are fully deductible. If you wish to claim one-hundred percent, please supply:

- Receipts or a list of business entertainment conducted in New Zealand;
- Details of any adjustments which were made in your GST return(s), if applicable.

Income in Advance

Please provide details of income received in advance.

Interest and Dividends

Please provide Resident Withholding Tax Certificates and Dividend Statements.

Business Structure/Ownership Changes

Please provide full details of:

- Changes to directors or shareholders, including changes to any residential addresses.
- The company's Registered Office.
- Any new borrowings or contracts any director has entered into with the company or have an interest in a contract in which the company is a party.
- Changes to number of shares issued.

Related Party Transactions

Please supply full details of any loans, borrowings, sales, purchases, between related parties. Please use a separate sheet if necessary.

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Contingent Liabilities

Please supply details of any transactions that may materially affect the profitability or solvency of your business. For example, a pending court case or dispute please, guarantees given, new lease agreements, etc.

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Capital Commitments

Please provide details of any agreements or contracts that have not been included elsewhere that commit your business to significant capital expenditure. Note: These may be after 31 March 2021 and before we prepare your financial statements and tax returns.

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Other Income

Please provide details of any other income you received, including any COVID related subsidies.

Private Use of Business Expenses

Please provide the private use percentage, if applicable:

Computers%
Telephone%
Other (Please Specify)%
Other (Please Specify)%

Other

Please provide details of any other matters which you feel might be relevant when determining your tax position.

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**Look through Company (LTC)
Only**

The ability for owners in LTCs to deduct their losses is dependent on having sufficient “owner’s basis”. The LTC must complete a tax return that includes the amount of income or deductions for the company for the income year, the amount of income for each owner, and a summary of deductions for each owner. The company isn’t taxed, but each owner must prepare a separate income return taking into account the amounts shown on the company’s income return. The amount of deduction an owner can use is limited

to their “owner’s basis,” which is the adjusted tax value of their investment in the LTC

To establish if you are able to deduct your losses, please provide the following information:

Investments:

Details of goods or assets introduced, or services provided to the LTC, or amounts paid by you on behalf of the LTC, including loans, including shareholder current account deposits, and your share of any LTC debt which you have guaranteed or provided indemnities for.

Distributions:

Details of anything paid to you by the LTC, including dividends, loans and drawings. Please exclude any salary or wages paid by the LTC to you as a working owner.

Income:

Share of income, including exempt/excluded income, capital gains from the current/prior tax from the years company was LTC.

Deductions:

Your share of deductions & losses in prior tax years that the company was an LTC.



Basis of Accounts Preparation

Your financial statements will be prepared on the basis of a Special Purpose Report for your own benefit and that for the Inland Revenue Department. They do not comply with Generally Accepted Accounting Principles under the Financial Reporting Act, and will exclude any opinion as to their compilation to third parties and we will include the following (or similar):

COMPILATION REPORT

This report is for

SCOPE

On the basis of information you provided we have compiled, in accordance with Service Engagement Standard No. 2: Compilation of Financial Information, the special purpose financial statements of your entity for the year ended 31 March 2021. These financial statements have been prepared in accordance with the policies as detailed in the Notes to the Financial Statements.

RESPONSIBILITIES

You are solely responsible for the information contained in the financial statements and supporting schedules and have determined that the accounting policies used are appropriate to meet your needs and for the purpose that the financial statements were prepared.

The financial statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the financial statements.

NO AUDIT OR REVIEW ENGAGEMENT UNDERTAKEN

Our procedures use accounting expertise to undertake the compilation of the financial

statements from information you provided. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

DISCLAIMER

As mentioned earlier in our report, we have compiled the financial information based on information provided to us which has not been subject to an audit or review engagement. Accordingly, neither we, nor any of our employees accept any responsibility for the reliability, accuracy or completeness of the compiled financial information nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on the compiled financial information.

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Acknowledgement

I authorise Business Advisory Accounting & Tax Services Limited (hereafter referred to as “BAS”) to act on my behalf in respect of the Inland Revenue, ACC, banks, lease companies and financial institutions, and for the purposes of obtaining any information necessary with regard to my income tax account (and other tax accounts) as they deem relevant. I may revoke this authority at any time.

I authorise any person or company to provide BAS with such information as BAS may require to complete my tax return(s), and any other work BAS carries out on my behalf. I further authorise BAS to furnish to any third party, financial information of mine as BAS deems appropriate that is requested in furtherance of my income earning activities.

I accept responsibility for the accuracy and completeness of the information supplied. BAS is not required to complete an audit, nor do I wish BAS to undertake a detailed review of my affairs for it to substantiate the accuracy of the information I have supplied BAS, and therefore BAS is not asked to provide any assurance on my/our financial statements.

I acknowledge BAS’ work cannot be relied upon to detect error and fraud and the income tax return(s) will be prepared at my request and for my purposes only and BAS will not be liable for any losses, claims or demands by any 3rd party. I accept responsibility for all other records and information supplied to BAS other than those listed above. I accept responsibility if I fail to supply all relevant records and information to BAS, BAS may consider all balances to be NIL or NO where I do not supply this information.

If I do not return any associated income tax declarations within ten business days (excluding the period 20 December 2021 to 14 January 2022) of BAS sending them to me, BAS may assume I have signed them unless I provide alternative written instructions.

I have been advised of the basis BAS charges its fees and I have read BAS’ terms and conditions. By signing this document, I agree to be bound by them. Should BAS not receive such a signed copy, but I continue to instruct BAS, then I acknowledge I have accepted BAS’ terms and conditions. I confirm the information provided within this checklist is true and correct.

Signature

Name

Capacity

Date

Signature

Name

Capacity

Date



OTHER SERVICES:

If you'd like to discuss some of our other services, please contact us:

- Spreading our fees with monthly payments
- Fixed fee accounting and GST services
- Virtual Chief Financial Officer
- Virtual Financial Controller
- Advisory Board / Independent Director
- Company Formation
- Company Secretarial / Registered Office
- Budgets and Cash Flow Forecasting
- Strategic and Operational Business Plans
- Family Trust
- Interim or periodic reporting
- Computerising your accounting
- Benchmarking and business "health-check"
- Payroll services
- Marketing and advertising
- Search engine optimisation
- Social media management
- Website design
- Other

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Need to contact us?

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Physical address:	217a East Coast Road Campbells Bay Auckland 0622

Please visit our website at www.bizadvice.co.nz for further information. You can also check out our articles and newsletters and other resources.

How to obtain copies of the guide

You can download copies of this guide by going to <https://www.bizadvice.co.nz/resources-insights>. You can also request copies by calling us on 09 449 0417 or email us at admin@bizadvice.co.nz

If you're unhappy with our service

We're fully committed to providing you with a quality service. If there's a problem, we'd like to know about it and have the chance to fix it. You can call the staff member you've been dealing with or, if you're not satisfied, ask to speak with our Director, Mark Gwilliam, on 09 449 0417/027 440 0417 or email him at markg@bizadvice.co.nz

Please provide your details

Business name (if applicable)	.....
IRD number(s)	..... .....

Contact details – to ensure our records are up to date, please complete the following:

Preferred contact number	.....
Alternative contact number	.....
Preferred email address	.....
Website	.....
Preferred postal address	...............

DISCLAIMER:

The information contained in this guide is of a general nature and does not constitute legal, tax, investment or other professional advice on any subject matter and/or address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future.

Before making any financial decision you should consider all factors and consult an appropriate professional advisor. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation. No liability is accepted by Business Advisory Accounting & Tax Services Limited or its staff, directors and contractors for actions taken in reliance upon the information given and it is recommended that appropriate professional advice should be taken before making any decision or taking any action that might affect your finances.