Record keeping for business

Keep accurate and complete records helps you meet your tax, superannuation and employer obligations.

Index - Record keeping for business

A linked index to help you use the ATO information about record keeping for business and find what you need.

Overview of record-keeping rules for business

Overview about business record-keeping requirements so you meet your tax, superannuation and registration obligations.

Record keeping course

What to do if you are required to complete a record keeping course as part of a review or audit of your business.

Setting up and managing records

How to set up and manage your business records and invoices so you can meet your tax, super and employer obligations.

Detailed business record-keeping requirements

Tips plus the records you need at each stage of your business from starting to selling or closing your business.

QC 16863

Index - Record keeping for business

A linked index to help you use the ATO information about record keeping for business and find what you need.

Last updated 23 May 2025

Record keeping listing

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 for 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 5 years
- Benefits of keeping accurate and complete records
- Our reviews and audits

  - [Penalties for not keeping or retaining records]

Setting up and managing business 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 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

Detailed business record keeping

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
- Global and domestic minimum tax
- Independent contractor and supplier records
- Petroleum resource rent tax
- Sharing economy
- Crypto assets used in business

- 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)
- Record keeping as an excise licence holder
- Record keeping for excisable fuel and petroleum
- Records for excise equivalent goods
- Record keeping in the primary production industry
- International dealings schedule (IDS) for related-party dealings

QC 60717

Overview of record-keeping rules for business

Overview about business record-keeping requirements so you meet your tax, superannuation and registration obligations.

Last updated 19 June 2024

On this page

Overview

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

- 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.

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.

Your business records need 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 a record is generally the:

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

Five rules for record keeping

These 5 record-keeping rules apply to most records your business is required to keep to meet your tax, super and registration 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 5 years.
   - Generally, the 5-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 5-year retention period is different. For example, for:
     – fringe benefits tax (FBT) records the 5 years starts from the date you lodge your fringe benefit tax (FBT) return
     – records for super contributions for employees, the 5 years starts from the date of the contribution
     – records for super fund choice for your employees, the 5 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 5 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 7 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.

Listen

- ATO podcast *Tax inVoice*

Records to keep longer than five years

Information for businesses about the records you need to keep for longer than the general 5-year retention period.

Accountability for business record keeping

Learn who is accountable for keeping business records, and what to expect if you do not meet record-keeping obligations.

QC 60718

Records you need to keep for longer than five years

Information for businesses about the records you need to keep for longer than the general 5-year retention period.

Last updated 23 May 2025

On this page

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 2 years for individuals and small businesses and 4 years for other taxpayers, from the day after we give you the notice of assessment
- a **business activity statement** (BAS) is generally 4 years from the day after the notice of assessment is given
- a **fringe benefits tax return** is generally 3 years from your date of lodgment.

You need to keep your records long enough to cover the 5-year retention period and the period of review for the relevant assessment. In many cases, the 5-year retention period will also cover the period of review.

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

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 5 years, you will 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 2017–18 and you carry that loss forward and deduct it in your business's 2023–24 tax return, you need to keep the records you used to work out the loss until, at least, the 2023–24 tax return's period of review has ended.

For more information, see:

- Time limits on tax return amendments
- 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?*

Records of depreciating assets

For depreciating assets, you generally need to keep the record for as long as you have the asset, and then another 5 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.

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 5 years after you sell, or otherwise dispose of, the asset.

Petroleum resource rent tax records

Petroleum resource rent tax (PRRT) records need to be kept for **7** years or more.

Global and domestic minimum tax records

Global and domestic minimum tax records need to be kept for **8** years or more.

QC 60719

Accountability for business record keeping

Learn who is accountable for keeping business records, and what to expect if you do not meet record-keeping obligations.

Last updated 19 June 2024

On this page

> [Penalties for not keeping or retaining records](#)

Who is accountable

As the business owner, you are accountable for understanding your record-keeping obligations. You retain primary accountability even if you assign this duty to another person, including an employee, or a registered tax or BAS agent.

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

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, super and registration affairs, it doesn't mean we think you've been untruthful. If we find a difference, we know mistakes can be made. If the law allows us to, we consider this when we determine if any penalties should apply.

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

How to get help

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 a mistake. 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 our guidance on what to expect during the review and audit processes.

Penalties for not keeping or retaining records

There are penalties that may apply if you don't keep or retain your records as required. These penalties may be:

- a direction to undertake a record keeping course
- financial.

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.

You may be able to dispute or object to a penalty decision.

QC 60720

Record keeping course

What to do if you are required to complete a record keeping course as part of a review or audit of your business.

Last updated 21 May 2024

On this page

What is good record keeping

Record keeping is an essential part of running a business. Keeping accurate and complete records for all your business transactions will help you stay on top of your cash flow and legal requirements.

If you are subject to a review and we determine you have not kept accurate and complete records, the Commissioner of Taxation can direct you to complete an approved record-keeping course or impose a financial penalty.

A record-keeping course will help you understand your obligations and get back on track. It is your choice whether you accept a direction to undertake a record-keeping course or a financial penalty.

About the record-keeping course

After an audit or review of your business, we may identify that your record keeping is not accurate and complete, and we will direct you to complete a record-keeping course.

You will have 28 days to complete this course. We understand running your business is your priority, so if you are unable to complete the course during this time, you will need to contact us prior to the due date of the course.

The course will be available online and can be completed at a time that is convenient for you. It includes topics such as:

- what records you need to keep, and for how long
- the best ways to keep records
- the benefits of keeping accurate and complete records
- how to keep records secure.

Completing the course

As the business owner, you are accountable for understanding and meeting your record-keeping obligations even if you use a registered tax or BAS agent to manage your records.

The person who is responsible for your business record keeping should complete the record-keeping course:

- if the entity is a sole trader – the individual
- if the entity is a business – the individual who makes, or participates in making, decisions that affect the whole, or a substantial part, of the business. For example, if the entity is a company, a director or public officer of the company; or if the entity is a partnership, a partner in the partnership.

If you disagree with our decision to direct you to complete an approved record-keeping course, you may be eligible to lodge an objection. If you choose to lodge an objection, you need to lodge your objection before the due date of the course or, if we have previously allowed you an extension of time to complete the course, then before the extended due date. We will advise you of the outcome of your objection.

If you still do not meet your record-keeping obligations in the future and have previously completed the course, we will take this into account in any future reviews of your business. You may be directed to complete the record-keeping course again or receive a penalty.

QC 72918

Setting up and managing your business records

How to set up and manage your business records and invoices so you can meet your tax, super and employer obligations.

Last updated 21 May 2024

Overview

It's important to understand your record-keeping obligations, and to plan properly and know what's involved.

Business record keeping systems

ATO information for businesses about choosing between a digital and manual record-keeping system.

Setting up your business invoices

ATO information for businesses about the information your

Keeping your business records safe and secure

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

When to do record-keeping and reporting tasks

There are common record-keeping tasks that you need to do to help you meet your tax, super and employer obligations.

Debtor and creditor records

Record-keeping information for businesses to help keep track of debtors and creditors.

Manage your business cash flow

Record-keeping and reporting tasks will help you better manage your cash flow.

Record-keeping help for small businesses

ATO information for small businesses about the help available for setting up and managing your business's records.

QC 60721

Overview

It's important to understand your record-keeping obligations, and to plan properly and know what's involved.

Published 20 May 2024

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.

For more information to help your business, see:

- Index – Record keeping for business
- Due dates by topic
- Due dates by month
- Essentials to strengthen your small business
- Small business newsroom and newsletter – subscribe and keep up to date with the latest news.

QC 102399

Business record-keeping systems – digital or manual

ATO information for businesses about choosing between a digital and manual record-keeping system.

Last updated 21 May 2024

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.

Digital record keeping

Digital record-keeping packages can help businesses meet their

Manual or paper record keeping

ATO information about manual or paper-based record-keeping for businesses with less complex business affairs.

QC 60722

Digital record keeping for businesses

Digital record-keeping packages can help businesses meet their tax, super and employer obligations.

Last updated 21 May 2024

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 5 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.

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.

For more information, see:

- 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.

For more information and examples of record keeping, see:

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

QC 60723

Manual or paper record keeping for businesses

ATO information about manual or paper-based record-keeping for businesses with less complex business affairs.

Last updated 21 May 2024

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

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 5 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 5 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.

For more information, see:

- Record-keeping help for small businesses
- Index – Record keeping for business
- Instant asset write-off for eligible businesses

QC 60724

Setting up your business invoices

ATO information for businesses about the information your invoices need to contain to meet our requirements.

Last updated 20 March 2025

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.

You can also use the GST calculator on ASIC's MoneySmart website to calculate the amount of GST you will pay or should charge customers

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

You should consider the benefits eInvoicing brings to your business and start using eInvoicing.

For more information, see Index – Record keeping for business and payments and invoicing on business.gov.au.

QC 60725

Keeping your business records safe and secure

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

Last updated 21 May 2024

On this page

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*.

QC 60726

When to do record-keeping and reporting tasks

There are common record-keeping tasks that you need to do to help you meet your tax, super and employer obligations.

Last updated 21 May 2024

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

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.

There are 2 accounting methods to choose from for GST.

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.

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.

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.

For more information, see:

- Detailed business record-keeping requirements
- Index – Record keeping for business
- End-of-year finalisation through Single Touch Payroll
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QC 43004

Debtor and creditor records

Record-keeping information for businesses to help keep track of debtors and creditors.

Last updated 21 May 2024

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.

For more information, see:

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

QC 60728

Manage your business cash flow

Record-keeping and reporting tasks will help you better manage your cash flow.

Last updated 21 May 2024

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 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 3 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.

You can also read more about record keeping for business and find more information on business.gov.au about:

- how to create a budget
- how to improve your business's financial position.

QC 60729

Record-keeping help for small businesses

ATO information for small businesses about the help available for setting up and managing your business's records.

Last updated 21 May 2024

On this page

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.

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:

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.

- Visit Essentials to strengthen your small business with modules on 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.

You can check if a tax or BAS agent is registered on the Tax Practitioners Board website.

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
- Index - Record keeping for business

QC 60730

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.