



SMSF Tax and Audit Checklist 2020

Fund Permanent Records

- Including copies of the following:
 - ✓ The original Trust Deed, and any amendments / variations to the Trust Deed;
 - ✓ Signed financial statements, tax returns and auditor report for the prior year;
 - ✓ Copies of pension documents (if any);
 - ✓ Signed Membership Application Forms;
 - ✓ Signed Trustee Consent to Act forms;
 - ✓ Signed ATO Trustee Declarations for all Trustees/Directors appointed after 1 July 2007;
 - ✓ Minutes of Trustee meetings held during the year;
 - ✓ Signed Investment Strategy;
 - ✓ Binding or Non-Binding Death Benefit Nominations (if any);
 - ✓ Most recent company statement of the Trustee Company issued by ASIC (where applicable);
 - ✓ Most recent annual return of the Trustee Company (where applicable).

Cash Investments

- Copies of all bank statements for the financial year 1 July to 30 June, and July /August if possible;
- Bank Reconciliation, including details of any un-presented cheques and/or outstanding deposits;
- Details of cheques drawn in the financial year prior to 30 June, including cheque number and amount;
- Copies of term deposit statements.

Sundry Debtors / Creditors

- Please provide all supporting documentation such as invoices and receipts.

Share Investments (Listed and Unlisted)

- For shares in listed companies:
 - ✓ Details of the HIN or SRN, holding name and postcode per share registry records to facilitate the auditor to obtain online confirmations;
 - ✓ Purchase and Sale contracts for the year.
- For shares in unlisted companies:
 - ✓ Copies of share certificates;
 - ✓ Supporting evidence of the current share price at 30 June;
 - ✓ Additional details of the origin / history of the investment, including whether it is a related party investment.

Listed Unit Trust & Managed Investments

- Wrap account annual reports and/or Unit holding certificates/statements, detailing movements during the year (purchases, sales, reinvestments) and holding/value at 30 June;
- Annual tax (distribution) statements.

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Private Unit Trusts

- Copy of the Trust Deed;
- Copy of unit trust financial statements and tax return for the financial year;
- Full history of the super fund's investments in the trust, including commencement date of the trust and records of all subsequent investments (required for in house asset testing);
- Copies of unit certificates;
- In relation to any property investments held by the trust – written lease agreement, details of most recent valuation (including valuation reports) and current land title search;
- Reconciliations of unpaid present entitlement and loan agreement (if any);

Real Estate Investments

- Copy of original Contract for Sale (purchase documents);
- Any valuations obtained and/or evidence supporting year end valuation;
- Insurance policy(s) covering the property;
- Invoices for any capital improvements and/or rental expenses incurred during the year;
- Real estate rental summary for the year, detailing tenant(s) and rent received;
- Current written lease agreement for related party tenants;
- Documents of limited recourse borrowing arrangements when appropriate;
- For any residential / holiday properties – confirmation of any use by members or their relatives during the year;
- Current land title search (required for new clients).

Loans

- A copy of the written loan agreement;
- Repayment schedule, including details of the interest rate, terms of repayment and duration of loan;
- Details of whether the borrower is a related party.

Other Investments, including Artwork, Wine, Collectibles etc

- Copy of original purchase invoice;
- Current insurance policy;
- Written lease agreement (where applicable);
- Any valuations/market valuations obtained and/or evidence supporting current valuation;
- Details of storage arrangements;
- Confirmation of any private use / current benefits enjoyed by members.

Member Accounts - Insurances

- Include the value of any insured benefits on the member statements.
- Provide all insurance premium documentation and supporting policies.

Tax

- Copies of any ATO correspondence received during the year.

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Contributions Income

- Employer / Member records confirming contributions made to the Fund during the year;
- ATO Notice of Intent to Claim a deduction for personal superannuation contributions - for any taxable member contributions (self-employed) for the year;
- Confirmation of the work test being met by any member contributing to the fund after age 65;
- For any in-specie contributions, supporting evidence of the asset being transferred, and the current market value of the asset at the date the contribution was recognized;
- Details of any members who have triggered the non-concessional Bring-forward rule since July 2015

Investment Income

- Dividend statements and annual tax statements for any unlisted investments;
- Rental statements /summaries;
- Written lease agreements;
- Independent valuation/supporting evidence to show any income from related parties is at market value.

Benefits Paid

- Rollover Statements for any rollovers out of the Fund during the year, including copy of cheque showing rollover paid directly to the receiving fund.

Pension Funds

- PAYG Payment Summaries prepared and lodged for any pension paid to a member who was under 60.

Expenses

- Invoices for significant expenses incurred during the year, including invoices outstanding at year end;
- Copies of any death/disability insurance policies paid by the Fund on behalf of members;
- Invoices for all formation costs – costs for setting up the fund;
- All supporting documentation for expenses paid by a member on behalf of the fund.

Contribution caps 2020

Please note the following annual Superannuation Contribution Caps effective from 1 July 2017 for the period 1 July 2018 to 30 June 2020:

- Concessional (pre-tax super which includes employer compulsory 9.5% super and employer extra super contributions including salary sacrifice)
 - \$25,000 for any age;
 - Caution should be exercised when salary sacrificing for super as this is added onto your compulsory 9.5% employer super contribution;
 - If the above respective cap is breached, then the excessive concessional contribution will be taxed at the taxpayer's marginal tax rate which will be included in their Notice of Income Tax Assessment issued by the ATO (after their income tax return is lodged).

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- Non-Concessional (post-tax super which includes personal super contributions which haven't been tax deducted)
 - \$100,000 for any age;
 - For individuals who are 65 and over and their super fund account is in a pension phase, you can only make non-concessional contributions if your total superannuation account balance is less than \$1.6 million.

It is imperative that SMSF clients understand their obligations as trustees of their funds and they should contact us for any questions and clarification on any topics or rules.

Disclaimer

- **These tips are for general information purposes only and they are no substitute for expert advice.**
- **As an accounting firm RBG is not licensed to provide financial advice.**
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