



Certified Practising Accountants
Business & Taxation Consultants

The Australian Taxation Office is currently investigating the **Retail Industry** in regard to the methods used to record and report their business transactions. This interest in the “Bookkeeping” function extends over all entities whether Sole Trader, Company, Partnership or Trust and all Industries.

Some examples of what the Tax Office has identified as “Common Mistakes” are: -

The wrong way...

The right way...

1. Leaving the cash register open and not Recording every transaction	Close the cash register after each transaction and record each transaction through the cash register.
2. Failing to make and keep sales records at Regular intervals if not using a cash register	Update sales records regularly, for example, at the end of each shift or day.
3. Not conducting daily sales reconciliation's	Reconcile 'Z' total and cash in register, taking into Account any cash taken for business or personal use.
4. Not updating the cash receipts book	Transfer daily sales total into the cash receipts book Regularly.
5. Paying wages and invoices from the cash Register	All cash taken from the register to pay wages and invoices must be recorded as takings in the cash Receipts book.
6. Claiming GST credits where the supplier is Not registered for GST	Only claim the GST credits where the invoice clearly states GST has been charged.
7. Failing to withhold tax from the payment to Suppliers who do not have an Australian Business number	If the total payment for the goods or services is more than \$75, excluding and GST, withhold 46.5% of the payment and pay it to the Tax Office.
8. Not updating the wage book regularly with <u>all</u> hours worked by each staff member	Ensure wage books record details such as: <ul style="list-style-type: none"> - name of employees - Hours worked - Pay rate - Gross payment - Net payment -Amount withheld, and -Superannuation contribution

If you are having difficulties with the transaction recording and accounting or accounting package side of your business, please contact either John or George for a discussion on what can be done to assist you meet your recording, reporting, and accounting obligations.