

# BCFR Chartered Accountants

## Client Substantiation Declaration - 2019

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I confirm that I must demonstrate I have incurred an expense for income-producing purposes and am aware of the stringent SUBSTANTIATION legislation I must satisfy in relation to work, car and business travel expenses.

I confirm that I must obtain original receipts and keep them for a minimum of **five** years from the date my return is lodged. The receipts must contain the following details:

1. Name of supplier;
2. Amount of expenses;
3. Nature of goods and services (noting the specific type of items purchased or expenditure incurred which I am able to personally record up to the date of lodgement of my return where not adequately noted by the supplier);
4. Date of expense (which I am able to personally record where not noted by the supplier);
5. The date of the documents.

### **Penalties to apply with incorrect returns**

I am aware that additional tax, penalties, interest and possible prosecution action may be taken against me by the ATO if I provide details which lead to an incorrect tax return being lodged.

### **Income from sources in and out of Australia for the year of income**

As an Australian resident I must declare income from all sources, in and out of Australia, including net capital gains received, for the year of income in my tax return.

### **Apportionment**

Where items are used for both business and private purposes, e.g. car, mobile, telephone, home telephone, computer etc. I have records to verify my business usage claim. In addition, my employer will verify that it was necessary to incur such expenditure in earning my assessable income. Further, I have instructed you to prepare the return based on me being able to produce these records, if required.

### **Audit matters**

I further confirm that:

1. I am aware of the procedures to follow if a document is lost or destroyed;
2. I may be required to verify any income or expense item noted in my return in the event of an ATO audit;
3. I understand the substantiation schedules I completed for all work, car and travel expense claims under self-assessment; and
4. I have read and understood the return prepared for me.

**Client substantiation declaration**

I declare that:

- a. I have disclosed and you have returned all of the income, including net capital gains which I have earned/received, for the current & future income years.
- b. All income declared, claims for deductions and tax offsets/ rebates included in my return are based on specific instructions and advice that I satisfy the relevant taxation requirements.
- c. I have all receipts or documentation necessary to substantiate the above claims and I will make them available if required by the Tax Office.
- d. You have clarified what written evidence (including car/travel records) will be required during an audit and penalties (including prosecution) that may be applied if incorrect claims are identified in an audit situation.

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Signature of Taxpayer

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Name (Print)

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Date