

Superannuation Fund Return Preparation Checklist 2009

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The following is a tax return checklist for super funds which should be completed in conjunction with the preparation of tax reconciliation return work-papers. The checklist provides a general list of major issues that should be addressed. (It is not an exhaustive list of all issues that may warrant consideration.)

Entity's Name		
Preparer	Initial	Date
Reviewer	Initial	Date
Partner	Initial	Date

	Yes	No	N/A
Prior Year Tax Return Considerations			
Has last year's tax reconciliation been checked for reversing timing differences (e.g. accruals, prepayments)?			
Has last year's tax reconciliation been checked for recurring timing differences that may need to be considered in the current year?			
Has last year's tax reconciliation been checked for losses carried forward to the current year?			
Statement of Financial Position (Balance Sheet)			
Have all Balance Sheet items been reviewed from a tax perspective and adjustments made where required (e.g. prepayments, deferred income etc.)?			
Have all movements in provisions been appropriately adjusted?			
Has the Sundry Creditors Account been reviewed for non-deductible expenses (e.g. audit accrual fees, provisions and unearned income)?			
Has the Sundry Debtors Account been reviewed for prepayments and accrued income (e.g. interest receivable)?			
Statement of Financial Performance (Profit And Loss)			
Have expense items been reviewed for non-deductibles (e.g. capital repairs & maintenance, capital legal fees etc.)			
Have penalties paid (excluding GIC) to the ATO been treated as non-deductible and interest received from the ATO brought to account as assessable?			
Has the entity derived income which is exempt from tax (e.g. member undeducted contributions)? If so, is there an adjustment in the reconciliation statement?			
Are there any non-deductible accrued audit fees?			
If accrued audit fees were adjusted last year has this adjustment been reversed where appropriate?			
Are management fees/consultancy fees paid to related entities commercially realistic and supported by appropriate documentation?			

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Following format of Form F:

9a Income	Yes	No	N/A
Capital Gains			
Did the fund derive any capital gains on assets sold during the financial year?			
Has the fund checked for eligibility of the one-third capital gain discount in accordance with the CGT provisions?			
(Broadly, the CGT discount will be available if the Fund has held the asset for more than 12 months. Note that where the particular asset was acquired by the Fund prior to 21 September 1999, a comparison of the benefits of using the CGT discount concession or indexation of the asset's cost base should be undertaken).			
Have you reviewed the capital gains tax calculation for correctness?			
Rent, Leasing & Hiring Income			
Has the gross rental and other leasing/hiring income received by the fund been included as income?			
Interest			
Has all interest income received during the financial year from investments been included?			
Dividends			
Have all public company dividends received, and all imputation credits received, been included as income?			
Has the 45 day rule been considered (or the 90 day rule for preference share dividends)?			
Has the fund received any private company dividends?			
If so, has an opinion been formed that it would be reasonable not to treat the private company dividends as non-arm's length income for tax purposes? (refer to Section 295-550 for further details)			
If not, has the dividend been grossed-up, and included at Label H of the calculation statement? (A tax rate of 45% is imposed on this non-arm's length income).			
Gross Foreign Income			
Has any foreign income been grossed up for foreign tax and included as income?			
Are credits available for such foreign taxes?			
Net Foreign Income			
Does the fund have a carried forward foreign loss?			
If so, has this loss been recouped in accordance with the transitional foreign loss rules (refer to section 770-5 of the Income Tax (Transitional Provisions) Act 1997)?			
Contributions			
Have all employer contributions (including salary sacrificed contributions) been included as income?			
Have all employer contributions included as assessable income been received as at the end of the financial year?			
Have any payments of a shortfall arising under the superannuation guarantee charge been included in the fund's assessable income?			
Has any amount transferred from a foreign superannuation fund been included in assessable income?			
Has the amount of any directed termination payment in excess of \$1 million been included in the fund's assessable income?			
Where the fund receives contributions from self-employed members, has the trustee received a written notice from a member under section 290-170, stating the member's intention to claim a deduction for their contributions?			
Has the trustee sent an acknowledgement notice to the member?			
If 'Yes' to both of the above, have the contributions been included in the fund's assessable income?			

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9a Income (Continued)	Yes	No	N/A
Partnership Distributions			
Has the gross amount of distributions received from a partnership been included as income?			
Trust Distributions			
Has the gross amount of trust distributions received been included as income?			
Has the fund received distributions from discretionary trusts? (refer to Section 295-550 for further details)			
If so, has the income been included at Label H of the calculation statement? (A tax rate of 45% is imposed on this non-arm's length income)			
Has the Fund received distributions from a fixed trust in which the Fund obtained its investment as part of a non-arms length arrangement and in which the distribution received exceeds what might otherwise have been expected had the parties been dealing with each other at arms length? (If so, a tax rate of 45% is imposed on such non-arm's length income)			
Other Income			
Could amounts of income recorded at 'other income' be more appropriately classified under another income label?			
Has the Fund derived any other income (other than private company dividends or trust distributions) as a result of a non-arms length transaction where the income derived (e.g. rent and interest) is more than might reasonably be expected had the parties been dealing with each other at arms length? (refer to Section 295-550 for further details)			
If so, has the income been included at Label H of the calculation statement? (A rate of 45% is imposed on such non-arms length income)			
9b Deductions			
General			
Does the fund derive both assessable and exempt income?			
If so, have deductions been apportioned, as appropriate, in accordance with TR 93/17?			
Interest			
Has the fund claimed a deduction for interest expense?			
As superannuation funds are generally prohibited from borrowing money, does the borrowing come under one of the exceptions? i.e.:			
<ul style="list-style-type: none"> • 90 day borrowing to make a payment to a member • 90 day borrowing to pay the superannuation surcharge • 7 day borrowing to cover settlement of securities transactions (The amount of any of the above borrowings must also not exceed 10% of the value of the fund's assets) • Borrowing by way of an instalment warrant 			
Capital Works Deductions			
Has the fund claimed a building allowance write-off for capital expenditure incurred on the construction of capital works?			
Has the correct rate been used?			
Deduction for Decline in Value of Depreciating Assets			
Has the fund claimed a deduction for the decline in value of its depreciating assets?			
Has the correct depreciation rate been used (refer to TR 2009/4 for guidance if applying the ATO's depreciation rates)?			

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9b Deductions (Continued)	Yes	No	N/A
Group Life and Disability Premiums			
Does the fund have a 'whole of life' policy for death and disability cover?			
If so, has the fund claimed a deduction for 30% of the premium paid?			
Does the fund have death and disability cover in which the components are separately identifiable?			
If so, has a deduction been claimed for the amount of premium paid?			
Does the fund self-insure for all or part of the risk for death and disability cover?			
If so, is any deduction claimed supported by an actuary's certificate?			
Investment Expenses			
Have all relevant investment expenses been claimed? Such as investment advice fees, tax agent fees, actuarial fees, accounting fees and certain legal costs.			
Other Deductions			
Transfer of Taxable Contributions			
Has the fund transferred its liability to tax on taxable contributions to another entity under a section 295-260 agreement?			
If so, has the name of the transferee entity and the amount transferred been disclosed?			
Has the tax liability transferred been limited to the lesser of: <ul style="list-style-type: none"> • the amount of taxable contributions transferred which exceed the total taxable contributions received by the fund in the relevant income year and • the highest value of the fund's investments in the transferee entity in the income year divided by the rate of tax? 			
Tax Losses Deducted			
Has the amount of tax losses applied, if applicable, been included as a deduction?			
Exempt Current Pension Income			
Does the fund derive exempt current pension income?			
Has the amount of exempt current pension income derived by the fund been included as a deduction?			
Is this amount supported by an actuary's certificate?			
Exempt Section 295-265 Income			
Does the fund have any pre-1 July 1988 funding credits?			
If so, has the fund applied to APRA for approval to claim the deduction?			
Losses			
Did the fund make a revenue loss for tax purposes?			
Does the fund have a revenue loss from a prior year that has been carried forward?			
If so, is the full amount of the loss, including both the current year and prior year losses carried forward, disclosed?			
Does the fund have a current year or prior year capital loss to carry forward to future income years?			
If so, has the full amount of the capital loss been disclosed?			

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Other Deductions (Continued)	Yes	No	N/A
Other Information			
Have the following items been disclosed appropriately, if relevant:			
• Cost of intangible depreciating assets for which a deduction for their decline in value has been claimed for the first time?			
• Cost of other depreciating assets for which a deduction for their decline in value has been claimed for the first time?			
• Termination value of all intangible depreciating assets?			
• Termination value of all other depreciating assets?			
• Total investments?			
• Number of members?			
International Related Party Dealings/Transfer Pricing			
Have the transfer pricing provisions in Division 13 and the need for commercial arm's length principles to be applied to transactions with an offshore related party been considered?			
International Transactions/Dealings			
Did the fund have transactions or dealings with international related parties?			
Aggregate Amount of Dealings			
Was the aggregate amount of transactions/dealings with international related parties greater than \$1 million?			
Overseas Interests			
Did the fund have an overseas branch or a direct or indirect interest in certain foreign entities?			
Has Schedule 25A (overseas transactions) been prepared or completed? (Required where 'Yes' is answered to either of the <i>International transactions/dealings</i> or <i>Aggregate amount of dealings</i> points above on the return)			
Death or Disability Deduction			
Is the fund claiming a deduction for premiums for death or disability cover under section 295-465?			
If so, has an actuarial certificate been obtained?			
Payments to Contributing Employers and Associates			
Has the fund made a payment or transferred a benefit that is included in the recipient's assessable income under section 290-100?			
If so, has this been disclosed?			
Financial Information			
Managed Investments			
Does the fund hold managed investments (i.e. a life insurance policy, or any placements with external investment managers)?			
If so, have all relevant earnings, and all relevant asset values been disclosed?			
Direct Investments			
Does the fund hold direct investments?			
If so, have all the relevant earnings and asset values been disclosed?			
In-House and Related Party Assets			
Does the fund hold in-house assets?			
If so, do in-house assets represent no more than 5% of the market value of all investments in the fund?			

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Calculation Statement	Yes	No	N/A
Have all PAYG instalments paid during the year been included?			
Have all foreign tax credits claimable been included?			
Have all imputation credits claimable been included?			
Are there any other refundable credits claimable? (e.g. TFN withholding tax)			