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

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| Entity’s Name |  | Initial | Date |
| **Preparer** |  |  |
| **Reviewer** |  |  |
| **Partner** |  |  |

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| Section A | Yes | No | N/A |
| Prior Year Tax Return Considerations  |
| Has last year’s tax reconciliation been checked for reversing time differences (e.g. accruals and prepayments)? |  |  |  |
| Has last year’s tax reconciliation been checked for recurring time 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 and assessable income (e.g. 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 non-concessional contributions or non-taxable roll-overs)?  |  |  |  |
| 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 (i.e. arm’s length) and supported by appropriate documentation? |  |  |  |
| Section B: Income | Yes | No | N/A |
| Capital Gains |
| Did the fund derive any capital gains on assets sold during the financial year?**Note**: CGT is generally an exclusive code for the taxing of assets held by a superannuation fund. |  |  |  |
| Has the fund checked for eligibility of the one third of capital gain discount in accordance with the CGT provisions?**Note:** the CGT discount will be available if the fund has held the asset for more than 12 months. 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? |  |  |  |
| Do you have the necessary documentation to substantiate the capital gain calculation? |  |  |  |
| Rent, Leasing and Hiring Income |
| Has gross rental and other leasing / hiring income received by the fund been included as income? |  |  |  |
| Do you have the agent’s annual statement to substantiate gross rental income and related expenses? |  |  |  |
| Interest |
| Has all interest income received during the financial year from investments been included?**Note:** interest from financial arrangements should be disclosed together with total interest in the tax return whilst foreign interest is displayed in the foreign income section. |  |  |  |
| Are all statements to hand for fixed interest investments (e.g. term deposit) maturing during the last financial year? |  |  |  |
| Dividends |
| Have all public company dividends received, and all imputation credits received, been included as income? |  |  |  |
| Do we have all dividend slips to hand to substantiate gross dividends and imputation credits? |  |  |  |
| Has the 45 day holding period 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? **Note:** refer to Section 295-550 for further details.  |  |  |  |
| If the private company dividend is non-arms length, has the grossed-up dividend, net of related expenses, been included at Label U of the income section? **Note:** a tax rate of 47% is imposed on this non-arm’s length income. |  |  |  |
| Gross Foreign Income |
| Does the fund own shares in a controlled foreign company (CFC)? If so, you may need to consider the CFC rules to determine if any CFC attributable income is to be included in the income of the fund. |  |  |  |
| 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, are losses being recouped that are subject to transitional foreign loss rules?**Note:** refer to section 770-5 of the Income Tax (Transitional Provisions) Act 1997. |  |  |  |
| Section B: Income | Yes | No | N/A |
| Contributions |
| Have all employer contributions (including salary sacrificed contributions) been included as income? |  |  |  |
| Has a TFN been quoted for each member receiving employer contributions?**Note:** excess tax of 31.5% will apply where this is not the case, in addition to the 15% that otherwise applies to contributions.  |  |  |  |
| 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 $1m 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? |  |  |  |
| Has any contribution relating to CGT small business concessions, that is above the CGT cap amount, been included in calculating the excess non-concessional contribution amount which will be taxed at 46.5% on the individual level?**Note:** the CGT cap amount for 2014/15 is $1,355,000 |  |  |  |
| 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? |  |  |  |
| Do we have distribution statements to hand? |  |  |  |
| Has the fund received distributions from discretionary trusts?**Note:** refer to section 295-550 for further details.If so, has the income (net of related expenses) been included at label U of the income section?**Note:** a tax rate of 47% 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-arm’s length arrangement and in which the distribution received exceeds what might otherwise have been expected had the parties been dealing with each other at arm’s length? If so, a tax rate of 47% is imposed on such non-arm’s length income, determined net of related expenses. |  |  |  |
| Other Income |
| Could amounts of income recorded at ‘other income’ be more appropriately classified under another income label? |  |  |  |
| Do the Taxation of Financial Arrangements rules apply to the gain or loss calculations on the fund’s financial arrangements?**Note:** the TOFA gain/loss should be disclosed in the relevant TOFA section in the tax return. |  |  |  |
| Has the fund derived any other income (other than private company dividends or trust distributions) as a result of a non-arm’s 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 arm’s length?**Note:** refer to Section 295-550 for further details. If so, has the income been included at Label U of the income section?**Note:** a rate of 47% is imposed on such non-arm’s length income. |  |  |  |
| Section B: Income | Yes | No | N/A |
| **Non-Arm’s Length Income** |
| Has all the net non-arm’s length income been included in label U of the income section? |  |  |  |
| **Exempt Current Pension Income** |
| Does the fund derive both assessable and exempt income? |  |  |  |
| If so, has an actuarial certificate been obtained? |  |  |  |
| Has the exempt current pension income been calculated according to the actuarial certificate’s percentage and included in label Y of the income section?  |  |  |  |
| If the fund only derived exempt income, has the amount been included in label Y of the income section? |  |  |  |
| Section C: Deductions | Yes | No | N/A |
| General |
| If the fund derived both assessable and exempt income, have deductions been apportioned, as appropriate, in accordance with Taxation Ruling TR 93/17? |  |  |  |
| Have you calculated the exempt pension income deduction according to the exempt percentage from the actuarial certificate? |  |  |  |
| 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? That is:* 90 day borrowing to make a payment to a member
 |  |  |  |
| * 90 day borrowing to pay the superannuation surcharge
 |  |  |  |
| * seven day borrowing to cover settlement of securities transactions

**Note:** the amount of any of the above borrowings must also not exceed 10% of the value of the fund’s assets. |  |  |  |
| * limited recourse borrowing arrangement for SMSF to purchase a single asset or a collection of identical assets that have same market value.

**Note:** the acquired assets from the loaned fund have to be held in a separate trust and any investment returns earned from the assets go to the SMSF trustee.**Note:** special in-house asset rules may apply to ensure that the investment in a separate trust is not an in-house asset of the SMSF. |  |  |  |
| Salary and Wages |
| Has the fund incurred any salary, wage and other labour costs in respect of employees employed by the trustee of the fund? |  |  |  |
| Capital Works Deductions |
| Has the fund claimed a building allowance write-off for capital expenditure incurred on 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?**Note:** refer to Taxation Ruling TR 2013/4 for guidance if applying the ATO’s depreciation rates. |  |  |  |

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| Section C: Deductions (continued) | Yes | No | N/A |
| Death 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 an endowment policy for death and disability cover? |  |  |  |
| If so, has the fund claimed a deduction for 10% of the premium paid? |  |  |  |
| Does the fund have other insurance policies that provide death or disability superannuation benefits? |  |  |  |
| If so, is any deduction claimed supported by an actuary’s certificate? |  |  |  |
| Death Benefit Increase |
| Is the fund entitled to the lump sum death increase deduction in accordance with section 295-485 of the ITAA 1997? |  |  |  |
| 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. |  |  |  |
| Management and Administration Expenses |
| Has the fund incurred any expenses in relation to management and administration of superannuation entities? |  |  |  |
| Other Deductions |
| Has the fund claimed a deduction for a reduction in a section 290-180 notice amount? |  |  |  |
| Has the fund incurred any foreign exchange losses? |  |  |  |
| Has the fund claimed a deduction for contributions that have been taxed as fringe benefits for the contributor? |  |  |  |
| Does the fund have any pre-1 July 1988 funding credits? |  |  |  |
| Has the fund ceased to hold or use a depreciating asset and a balancing adjustment is required? |  |  |  |
| Has the fund incurred any capital expenditure for the sole or dominant purpose of preventing, combating or rectifying pollution of the environment; or treating, cleaning up, removing or storing waste? |  |  |  |
| Has the fund received a Listed Investment Company capital gain amount? If so, it may be able to claim a deduction of 33 1/3% of the capital gain amount. |  |  |  |
| Has the fund claimed a deduction for certain debt-related expenses relating to certain foreign non-assessable non-exempt income?**Note:** refer to section 25-90. |  |  |  |
| Has the fund incurred any levies imposed by regulations under section 6 of the *Superannuation (Financial Assistance Funding) Levy Act 1993*? |  |  |  |
| Tax Losses Deducted |
| Have tax losses, if applicable, been included as a deduction?**Note:** this will also include foreign losses incurred from 1 July 2008 and transitional foreign losses (recoupment capped at 20%) prior to that time. |  |  |  |
| Section D: Calculation Statement | Yes | No | N/A |
| Have all PAYG instalments paid during the year been included? |  |  |  |
| Have all foreign income tax offset claimable been included? |  |  |  |
| Have all imputation credits claimable been included? |  |  |  |
| Are there any other refundable credits claimable? (e.g. TFN withholding tax) |  |  |  |

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| Section E: Losses | Yes | No | N/A |
| Has the fund merged with another superannuation fund with five or more members?**Note:** if this is the case the revenue losses and capital losses may be rolled over under the merger. |  |  |  |
| Has the losses schedule been completed for unused revenue losses or unused capital losses greater than $100,000? |  |  |  |
| Section F: Other Information  | Yes | No | N/A |
| Have the following items been disclosed appropriately, if relevant?* Attributed foreign income.
 |  |  |  |
| * Net assets available to pay benefits.
 |  |  |  |
| 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:* the total assessable contributions of the fund in the relevant income year
 |  |  |  |
| * the highest value of the fund’s investments in the transferee entity in the income year divided by the rate of tax?
 |  |  |  |
| International Related Party Dealings / Transfer Pricing |
| Have the transfer pricing provisions in Part III Division 13 of the ITAA 1936and Subdivision 815-A of the ITAA 1997 (i.e. the need for commercial arm’s length principles) been applied to transactions with offshore related parties? |  |  |  |
| Taxation of Financial Arrangements (TOFA) |
| Have you considered the application of the Taxation Of Financial Arrangements (TOFA) rules to the fund?**Note:** the TOFA rules are mandatory for funds where the value of the fund’s assets is $100 million or more at the end of the previous income year. |  |  |  |
| International Transactions / Dealings |
| 1. Did the fund have transactions or dealings with international related parties?
2. Was the aggregate amount of transactions / dealings with international related parties greater than $2 million?
3. Did the fund have an overseas branch or a direct or indirect interest in certain foreign entities?
 |  |  |  |
| 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? |  |  |  |
| Administration and Substantiation |
| Do you have all bank statements / passbooks to hand? |  |  |  |
| Do you have all cheque butts to hand? |  |  |  |
| Do you have all deposit books to hand? |  |  |  |
| Have cash book and bank balances been reconciled? |  |  |  |

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| Section F: Other Information (continued) | Yes | No | N/A |
| Administration and Substantiation (continued) |
| Has all income been banked in a bank account? |  |  |  |
| Do you have evidence of holding of investments as at year end and are all investment held under the name of, or as the trustee for, the superannuation fund? |  |  |  |
| Do you have all purchase documentation for new investments acquired? |  |  |  |
| Do you have all rollovers (i.e. Ins and Outs) documentation to hand? |  |  |  |
| Has the audit been completed? |  |  |  |
| Does the fund invest in collectable and personal use assets and have all the rules specified in Regulation 13.18AA(1) been satisfied?  |  |  |  |