

Deduction substantiation requirements

The Australian Taxation Office has advised the minimum requirements in regard to substantiation for work-related expenses. We provide a summary of the minimum standards that you will be required to adhere to before making such a claim and submitting your income tax return.

1. Car expenses

Cents per kilometre method *	<p>For each car claimed provide:</p> <p>Details of how you worked out the number of kilometres you travelled for work. You should advise the:</p> <ul style="list-style-type: none"><input type="checkbox"/> purpose of the travel undertaken<input type="checkbox"/> frequency of any work-related travel<input type="checkbox"/> number of kilometres travelled for work-related purposes
Logbook method *	<p>For each car claimed provide:</p> <ul style="list-style-type: none"><input type="checkbox"/> A copy of your logbook<input type="checkbox"/> The opening and closing odometer readings for the income year<input type="checkbox"/> The logbook must provide details of the purpose of each journey, odometer reading at the start and end of each journey and total kilometres travelled.<input type="checkbox"/> Explanation of how you calculated the work use percentage<input type="checkbox"/> A list of each item and amount claimed<input type="checkbox"/> Explanation of how you calculated your fuel and oil expenses (if estimated and no receipts provided)<input type="checkbox"/> Copies of original receipts / invoices for all expenses
Expenses for a vehicle with a carrying capacity greater than one ton or 9 passengers *	<ul style="list-style-type: none"><input type="checkbox"/> If your claim relates to the transport of bulky tools and equipment provide a list of all work items carried, the weight and size. If work items are carried in a bag provide the dimensions and weight of the bag.<input type="checkbox"/> Details of the types of secure storage available. <p>For each car claimed provide:</p> <ul style="list-style-type: none"><input type="checkbox"/> Copies of the purchase or lease documents<input type="checkbox"/> Copies of the car registration certificate<input type="checkbox"/> Explanation and supporting documents, such as a diary of how you calculated your work use<input type="checkbox"/> A list of each item and amount claimed<input type="checkbox"/> Explanation of how you calculated your fuel and oil expenses (if estimated and no receipts available).

*For all methods in claiming motor vehicle expenses the ATO may request a letter from your employer confirming how you are required to use your own car for work purposes, including the name and contact details of the person making the statement

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2. Travel expenses

Commissioners reasonable rate for meals	<input type="checkbox"/> An explanation of how the travel was work related <input type="checkbox"/> The number of nights you slept away from home and location <input type="checkbox"/> How you calculated the amount claimed <input type="checkbox"/> Your travel diary (if travel was for 6 nights or more)
Tolls	<input type="checkbox"/> Copies of receipts or tolling account statements <input type="checkbox"/> Details of how you worked out the portion of the expense that was related to your work
Parking	<input type="checkbox"/> Copies of receipts
Airfares, hotels, etc.	<input type="checkbox"/> A letter from your employer confirming the requirement for you to undertake the travel, including the name and contact details of the person making the statement <input type="checkbox"/> An explanation of how the travel was work related <input type="checkbox"/> Details of any persons that accompanied you and their relationship to you, details of how you worked out the proportion you claimed <input type="checkbox"/> Your travel diary (if travel was for 6 nights or more) <input type="checkbox"/> Details of any private travel, for example a holiday after work-related travel. Explain how your apportioned your claim <input type="checkbox"/> Copies of receipts

3. Laundry and dry cleaning expenses

Education expenses *	<input type="checkbox"/> A list of each item and amount claimed <input type="checkbox"/> Name of course and institution; date commenced; date ceased; length of course and if studying full-time or part-time. <input type="checkbox"/> An explanation of how the course relates to your employment at the time of undertaking the course
Laundry / Dry Cleaning	<input type="checkbox"/> A description of the work-related clothing worn <input type="checkbox"/> Details of how you calculated your claim <input type="checkbox"/> If the laundry claim exceeds \$150, provide receipts
Protective Clothing *	<input type="checkbox"/> A description of the protective clothing and equipment you were required to wear <input type="checkbox"/> Copies of receipts

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4. Other expenses

Mobile and/or home telephone *	<input type="checkbox"/> An explanation of how you calculated your claim <input type="checkbox"/> Evidence of the total cost of the service for the year of income <input type="checkbox"/> A diary covering a representative four-week period showing your work-related and private use of the service
Internet *	<input type="checkbox"/> An explanation of how you calculated your claim <input type="checkbox"/> Evidence of the total cost of the service for the year of income <input type="checkbox"/> A diary covering a representative four-week period showing your work-related and private use of the service
Union dues	<input type="checkbox"/> Copies of invoices from the union, payslips or bank statements showing the total amount paid in union fees for the income year
Memberships	<input type="checkbox"/> Copies of invoices, payslips or bank statements showing total amount paid in membership fees for the income year <input type="checkbox"/> Details of why the expense was connected to your work
Overtime meal expenses *	<input type="checkbox"/> Evidence that you incurred overtime meal expenses, if you are claiming more than the reasonable rates <input type="checkbox"/> An explanation of how you calculated your claim, including the number of occasions and amount.
Books and magazines / professional library	<input type="checkbox"/> An explanation of how each item relates to your income earning activities as an employee <input type="checkbox"/> Copies of receipts, invoices or other documentation <input type="checkbox"/> Where expenses are partially private in nature, details of how you worked out the work-related portion of the claim
Home office expenses - running costs *	<input type="checkbox"/> An explanation of work performed from your home office <input type="checkbox"/> Copy of your diary, over a representative four-week period, or other evidence that shows how often you worked out of your home office <input type="checkbox"/> Details of how you calculated your claim
Computer parts, consumables	<input type="checkbox"/> Copies of purchase invoices or receipts for all items <input type="checkbox"/> An explanation for how the expenses were connected with gaining or producing your assessable income <input type="checkbox"/> Details of how the work-related portion of your expenses were worked out
Purchase of equipment / Depreciation	<input type="checkbox"/> Explanation how each item relates to your income earning activities as an employee <input type="checkbox"/> Copies of purchase invoices or receipts for all items <input type="checkbox"/> Explanation how you calculated the work-related portion for each item
All other expenses	<input type="checkbox"/> Copies of invoices or receipts for the expenses <input type="checkbox"/> An explanation for how the expenses were connected to your income producing activities <input type="checkbox"/> Details of how you worked out the work-related portion of the expenses
Sickness & Accident Insurance	<input type="checkbox"/> Confirmation from your Insurer of total premiums paid during the financial year, including policy number
Superannuation	<input type="checkbox"/> Acknowledgment from your Super Fund of your Notice of Intent to Claim super contributions as an Income tax deduction, including the total contributions claimed, member number and total contributions made

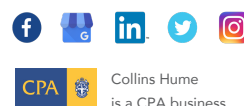
* Taxpayer note

It is the responsibility of the taxpayer to demonstrate that they have incurred an expense for income-producing purposes. As such, each taxpayer should keep clear records to substantiate any expense claims. This includes copies of original receipts, invoices and diaries used to calculate work / private use percentages. These records **must be kept for five years** after the issue of the notice of assessment of your return. Furthermore, in the event of an audit by the ATO, you may be requested to provide a letter from your employer confirming that it was a condition of your employment that you incurred the expenses and no reimbursement was made.

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