



## Effective record keeping for the Next 5,000

Next 5,000 privately owned and wealthy groups: getting your record keeping right will help you avoid costs and audits.

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If you're part of our **Next 5,000 private groups tax performance program**, we expect you to keep up-to-date and accurate records for your tax returns and business activity statements. If you don't, you could face lengthy and costly audits potentially denying your deductions and input tax credits.

Our regular and ongoing engagement with groups like yours reveals that basic record keeping, including the substantiation of income and expenses is not always well maintained.

For example, the **2024 Next 5,000 findings report for privately owned and wealthy groups** shows that, in some cases, deductions were denied because of poor record keeping. Claimants couldn't substantiate their expenses, or they couldn't provide acceptable evidence of the linkage between expenses and income.

This was especially true for related party transactions for example, where one party's reported income was less than the deduction claimed by their associated party.

To steer clear of these pitfalls, use our comprehensive **Record keeping for business** resource, which can help you with everything you need to know, including:

- an index of core record-keeping information for groups like yours, so you can easily find what you need
- an overview of the record-keeping rules you must follow

- how to set up and manage records and invoices
- the records you must keep, whatever stage of the business lifecycle you're in.


We know that most Next 5,000 taxpayers want to get tax right and meet obligations effectively. That's why we'll continue to provide you with the information you need.

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We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

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