



SMSF TRUSTEE COMPLIANCE CHECKLIST

SMSF trustee compliance checklist

If you are a trustee of a Self Managing Superannuation Fund (SMSF) you have a range of responsibilities that you must adhere to in the day-to-day operation of your fund. Below is a checklist outlined in the Government's Role and Responsibilities of Trustees paper which details what you must be aware of as a trustee of a SMSF.

Trust deed - As a trustee, you are bound by your deed and are responsible for any contravention of the rules set out in the deed. Do you know the contents of the deed in detail?

Trustees and members - Does your self-managed superannuation fund meet all its legal requirements? This includes single member funds.

Electing to be regulated - Has the SMSF elected to be regulated? The SMSF fund must elect to be a regulated superannuation fund and comply with the requirements of the Superannuation Industry (Supervision) Act 1993 also known as the SIS Act. If the fund does not comply it may not receive concessional tax treatment and/or other sanctions may be imposed on the trustees of the fund for contravening the SIS Act.

Tax file number - Does the fund have its own tax file number?

Australian business number - Does the fund have its own Australian business number (ABN)? Although it is not compulsory that your fund has its own ABN, it is beneficial when dealing with Commonwealth agencies. Obtaining an ABN does not mean a fund is registered for GST, it is primarily used for identification purposes.

GST registration - Does the fund need to be registered for GST? A self-managed superannuation fund must register for GST if its annual turnover is greater than \$50,000. Common items that a superannuation fund's annual turnover may include are gross income derived from the lease of equipment or commercial property, and the provision of salary continuance insurance cover.

Separate bank account - Has a separate bank account been set up for the fund? This is very important to prevent the fund contravening the SIS Act and also assists trustees in preserving and protecting their retirement income.

Accepting contributions - Are you aware of the SIS Act regulations as they apply to accepting contributions in accordance with the trust's deed and from whom those contributions can be accepted?

Investment strategy - Does the fund have a medium to long-term investment strategy? Contravention of the requirement to have an acceptable investment strategy can result in the trustees being fined or sued for loss or damages. The fund can lose its compliance status and, as a result, its concessional rate of tax.

Investing - Are the assets of the fund kept separate from members, trustees and related employers?

Investment restrictions - Can you demonstrate you have not improperly misused assets within the fund as a trustee?

Record keeping - Have responsible accounting practices been adopted? Trustees must keep records of transactions and the financial position of the fund. The annual operating statement and annual statement of the fund's legal position and copies of annual returns lodged for five years must be kept. Minutes of all meetings, records of trustee changes, records of director changes and written consent by members for your appointment as a trustee must all be kept for ten years. Penalties apply if you fail to keep the records listed above for the required time period.

Paying a benefit - Will you pay benefits in accordance with the legal and trust deed requirements? Benefits should be checked for accuracy before payment. The payment standards of the SIS Act work with the sole purpose test and the preservation rules to ensure monies are paid to members only in appropriate circumstances.

Annual requirements - Have you lodged the contribution statements and combined income tax and regulatory returns as required? The annual requirements also include appointing an auditor to examine the year's records and pay the supervisory levy

Tax matters - Have you kept records of all the deductions, asset sales and purchases as well tax file numbers of members?

While the checklist above is extensive it does not cover every detail you are required to know when managing your SMSF. For more information about the role and responsibilities of a SMSF trustee go to www.ato.gov.au/super or contact us.