



Australian Government

FNSACC522 Prepare tax documentation for individuals

Release: 1

FNSACC522 Prepare tax documentation for individuals

Modification History

Release	Comments
Release 1	This version first released with the FNS Financial Services Training Package Version 8.0. Supersedes and is equivalent to FNSACC512 Prepare tax documentation for individuals.

Application

This unit describes the skills and knowledge required to prepare income tax returns for individuals in line with statutory requirements. It involves gathering and verifying data, calculating taxable income, and reviewing compliance requirements.

The unit applies to individuals who use systematic approaches and follow specific guidelines to ensure compliance requirements are met.

Work functions in the occupational areas where this unit may be used are subject to regulatory requirements. This unit is designed to meet the education requirements of the Tax Practitioners Board (TPB). Users are advised to check with the relevant regulatory authorities to confirm those requirements.

Unit Sector

Accounting

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Gather client income data and verify client, organisational and legislative requirements	1.1 Consult with client to determine tax documentation preparation requirements 1.2 Conduct research to identify updates or additions to tax compliance requirements according to client circumstances 1.3 Gather current data from authoritative sources, and identify and resolve outstanding information requirements through consultation with client 1.4 Identify assessable income and allowable deductions

ELEMENT	PERFORMANCE CRITERIA
	1.5 Complete and record amounts according to legislative requirements 1.6 Identify any tax issues and conduct research to resolve, or refer to designated authority
2. Identify, record and present client's income tax documentation	2.1 Calculate client's tax obligations according to legislative requirements and industry-accepted information-gathering practices 2.2 Prepare required documentation according to statutory and organisational procedures and within established timeframes 2.3 Evaluate and moderate decision processes as required by seeking advice and guidance from specialists 2.4 Discuss and confirm documentation with client and obtain client signature, authorisation and endorsement, according to legislative requirements
3. Manage client's income tax documentation	3.1 Prepare submission to Australian Taxation Office (ATO) according to ATO submission requirements 3.2 Advise client of current tax obligations 3.3 Respond to ATO enquiries and meet tax audit requirements, as required

Foundation Skills

This section describes those language, literacy, numeracy and employment skills that are essential to performance but not explicit in the performance criteria.

SKILL	DESCRIPTION
Numeracy	Analyses financial data and performs mathematical calculations to complete requirements of income tax documentation
Oral communication	Participates in verbal exchanges using active listening and questioning techniques to clarify information and confirm understanding
Reading	Researches and analyses financial information and data from a range of sources to identify key aspects related to income tax documentation requirements
Writing	- Records information and completes forms accurately using correct spelling, grammar, terminology, and conventions - Uses clear language and concepts appropriate to audience to convey and clarify explicit information and requirements

SKILL	DESCRIPTION
	in written documentation
Technology	• Uses the main features and functions of digital systems and programs to plan, implement, monitor, report progress, and lodge income tax returns

Unit Mapping Information

Supersedes and is equivalent to FNSACC512 Prepare tax documentation for individuals.

Links

Companion Volume Implementation Guide is found on VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe>

Assessment Requirements for FNSACC522 Prepare tax documentation for individuals

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Performance Evidence

The candidate must demonstrate the ability to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including evidence of the ability to:

- prepare income tax documentation for at least two different clients.

In the course of the above, the candidate must:

- comply with statutory regulations and requirements
- provide advice to each client on at least two different tax obligations and gain client approval
- research, critically evaluate and apply legislative requirements
- identify client data required to prepare tax documentation
- prepare client tax documentation that complies with Australian taxation law and Australian Taxation Office (ATO) rulings, accounting principles and practices, organisational policies and procedures.

Knowledge Evidence

The candidate must be able to demonstrate knowledge to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including knowledge of:

- financial legislative and statutory requirements relating to taxable transactions and reporting requirements
- ethical considerations and legislative requirements related to preparing income tax documentation for clients, including:
 - conflicts of interest
 - responsibilities of tax agents, including code of professional conduct obligations under the Tax Agent Services Act (TASA) and Tax Agent Services Regulations (TASR)

- key elements of Australian tax law as they relate to income tax documentation for individuals, including:
 - rules and principles of Australian tax law, and the legal environment in which these principles operate
 - features of the legal system, constitutional considerations, and separation of powers relevant to preparing income tax documentation
 - key aspects of the income tax law covering concepts of:
 - residence and source
 - related elements of international tax
 - assessable income
 - deductions, including general, specific, and decline in value
 - tax rebates and offsets
 - tax accounting
 - income test definitions that include reportable superannuation and fringe benefits tax (FBT)
 - key aspects of principles and application of capital gains tax (CGT), FBT and employment termination payment (ETP) rules for individuals
 - basic concept of goods and services tax (GST) and the treatment of income tax
 - administrative aspects of the taxes identified above, including documentation, tax collection and withholding mechanisms, assessments, obligations, rulings, penalties and audits
- specific and general anti-avoidance tax rules for individuals
- key sources of information and data required to calculate taxable income
- organisational policies and procedures required to prepare income tax documentation for individuals
- key accounting principles and practices required to prepare income tax documentation for individual taxpayers.

Assessment Conditions

Skills in this unit must be demonstrated in a workplace or simulated environment where the conditions are typical of those in a working environment in this industry.

This includes access to:

- office equipment, technology, software and consumables required to prepare income tax documentation for individuals.

Assessors of this unit must satisfy the requirements for assessors in applicable vocational education and training legislation, frameworks and/or standards.

This unit is designed to meet the education requirements of the Tax Practitioners Board (TPB). Where registration with the TPB is sought, assessment must reflect the conditions described by the regulator. Where recognition of prior learning (RPL) is used, it must also meet the requirements of the Board's policy on RPL.

Details of requirements can be accessed on the TPB website at (<http://www.tpb.gov.au>).

Links

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<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe>