



Standard Operating Procedure (SOP)

Title: Accounts – Tax Compliance
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Prepared by: Tamara Gray

1. Purpose

The purpose of this SOP is to establish standardized procedures for managing tax filings and ensuring compliance with all applicable tax laws at Tamborine Mountain Glades. It also outlines guidelines for maintaining accurate tax records and documentation to support filings and audits.

2. Scope

This SOP applies to all employees involved in the tax compliance process at Tamborine Mountain Glades, including the finance department, accounting staff, and any personnel responsible for tax reporting and filing.

3. Responsibilities

- **Tax Compliance Staff:** Responsible for preparing and filing tax returns, managing tax payments, and maintaining accurate tax records.
- **Finance Manager:** Oversees the tax compliance process, ensures timely and accurate filings, and reviews all tax-related documentation.
- **External Tax Advisors (if applicable):** Provide guidance on complex tax issues and review tax filings to ensure compliance with current laws and regulations.

4. Definitions

- **Tax Compliance:** Adherence to all applicable federal, state, and local tax laws, including the timely and accurate filing of tax returns and payment of taxes owed.
- **Tax Filing:** The process of preparing and submitting required tax forms and documentation to tax authorities.
- **Tax Records:** Documentation that supports tax filings, including financial statements, receipts, invoices, and any other relevant documents.

5. Procedures

5.1 Preparing for Tax Filings

- **Identifying Tax Obligations:**
 - Determine all applicable taxes that Tamborine Mountain Glades is required to file, including income tax, payroll tax, sales tax, property tax, and any other relevant taxes.
 - Stay updated on changes in tax laws and regulations that may affect the company's tax obligations.
- **Gathering Necessary Documentation:**
 - Collect all relevant financial records, including income statements, balance sheets, payroll records, sales records, and expense documentation, for the tax filing period.



- Ensure that all transactions are accurately recorded in the accounting system and properly categorized for tax purposes.
- **Engaging External Advisors (if applicable):**
 - If necessary, consult with external tax advisors for guidance on complex tax issues or to review the company's tax strategy.
 - Provide external advisors with access to all relevant financial records and tax documentation for review.

5.2 Preparing and Filing Tax Returns

- **Income Tax Returns:**
 - Prepare the company's income tax return using the appropriate forms and guidelines provided by federal, state, and local tax authorities.
 - Calculate taxable income, apply allowable deductions, and determine the tax liability for the reporting period.
 - Review the completed tax return for accuracy and compliance with tax laws before submitting it to the finance manager for approval.
- **Payroll Tax Filings:**
 - Prepare and file payroll tax returns, including federal and state withholding, Social Security, Medicare, and unemployment taxes.
 - Ensure that all payroll taxes are withheld correctly from employee paychecks and remitted to the appropriate tax authorities on time.
 - File quarterly and annual payroll tax returns (e.g., Form 941, Form 940) as required by law.
- **Sales Tax Filings:**
 - Calculate the total sales tax collected during the reporting period and prepare the necessary sales tax return.
 - Ensure that all sales tax collected is remitted to the appropriate state or local tax authority by the required deadline.
 - Keep accurate records of all sales transactions and sales tax collected for audit purposes.
- **Property Tax Filings:**
 - Prepare and file property tax returns, reporting the value of the company's property and assets as required by local tax authorities.
 - Pay any property taxes owed by the due date to avoid penalties or interest charges.
 - Maintain records of property valuations, tax assessments, and payments.
- **Review and Approval:**
 - The finance manager reviews all prepared tax returns and supporting documentation to ensure accuracy and compliance.
 - Once reviewed and approved, the tax returns are filed with the appropriate tax authorities by the specified deadlines.

5.3 Managing Tax Payments

- **Calculating Tax Payments:**



- Calculate the amount of tax owed based on the completed tax return, including any estimated tax payments or installments due.
- Verify the accuracy of tax calculations and ensure that sufficient funds are available for payment.
- **Making Tax Payments:**
 - Schedule tax payments to be made by the due dates specified by tax authorities, using approved payment methods (e.g., electronic funds transfer, check).
 - Record all tax payments in the accounting system, including the payment date, amount, and reference number.
 - Confirm that the tax payments have been received and processed by the tax authorities.
- **Managing Estimated Tax Payments:**
 - For income taxes, calculate and remit estimated tax payments on a quarterly basis, as required by tax regulations.
 - Review and adjust estimated tax payments throughout the year to ensure that the company does not underpay or overpay taxes.

5.4 Maintaining Accurate Tax Records

- **Record Keeping:**
 - Maintain organized and accurate records of all tax-related documents, including tax returns, payment confirmations, receipts, invoices, and correspondence with tax authorities.
 - Store tax records securely, ensuring they are protected from unauthorized access and can be easily retrieved when needed.
- **Retention Period:**
 - Retain all tax records for the legally required period, typically seven years or as specified by federal, state, or local regulations.
 - Ensure that older records are archived appropriately and remain accessible for potential audits or legal inquiries.
- **Audit Preparation:**
 - In the event of a tax audit, prepare all necessary documentation, including copies of tax returns, financial statements, and supporting records.
 - Cooperate fully with auditors, providing accurate and complete information as requested.
 - Address any findings or discrepancies identified during the audit, making necessary adjustments to the company's tax filings.

5.5 Ensuring Compliance with Tax Laws

- **Monitoring Tax Law Changes:**
 - Stay informed about changes in tax laws and regulations that may affect the company's tax obligations.
 - Adjust the company's tax strategy and practices as needed to ensure ongoing compliance with all applicable tax laws.
- **Continuous Improvement:**



- Regularly review and update the company's tax compliance procedures to improve accuracy, efficiency, and compliance.
- Provide ongoing training to accounting staff on tax compliance best practices and changes in tax laws.
- **Internal Controls:**
 - Implement and maintain strong internal controls over tax compliance, including segregation of duties, access controls, and regular reconciliations.
 - Conduct periodic internal audits or reviews of the tax compliance process to identify and address any weaknesses or risks.

6. Guidelines for Maintaining Accurate Tax Records and Documentation

- **Accuracy:** Ensure that all tax records and documentation are accurate, complete, and up-to-date to support tax filings and audits.
- **Documentation:** Keep thorough records of all tax-related transactions, including invoices, receipts, and payment confirmations, to provide a clear audit trail.
- **Compliance:** Adhere to all applicable tax laws and regulations, staying informed of changes that may affect the company's tax obligations.
- **Timeliness:** Prepare and file tax returns and make tax payments by the required deadlines to avoid penalties or interest charges.

7. Review and Revision

This SOP should be reviewed annually or as necessary to ensure it remains relevant and effective. Any revisions must be approved by the finance manager and communicated to all relevant staff.