

## Understanding the use of data feeds in self-managed superannuation fund administration

Self-Managed Superannuation Funds (SMSFs) are a popular way for Australians to take control of their retirement savings. However, managing an SMSF can be complex, requiring meticulous attention to detail. One of the essential aspects of managing an SMSF is keeping track of bank account and investment transactions, ensuring accuracy, and staying on top of your responsibilities as a trustee. This is where SMSF bank account data feeds (data feeds) come into play, as they can simplify the administration process and empower trustees to manage their funds effectively.

[BDO's Superannuation team](#) has compiled the following fact sheet to assist you in understanding how data feeds work and demonstrate how they can save you time and money when managing your SMSF.

### Contact us



**Paul Rafton**

National Leader, Superannuation

1300 138 991  
[www.bdo.com.au](http://www.bdo.com.au)

NEW SOUTH WALES  
NORTHERN TERRITORY  
QUEENSLAND  
SOUTH AUSTRALIA  
TASMANIA  
VICTORIA  
WESTERN AUSTRALIA



## What is a data feed?

Data feeds are a service provided by most financial institutions that allow account holders, including SMSF trustees, to receive electronic copies of their bank transactions directly into their accounting software.

## What are the benefits of using data feeds?

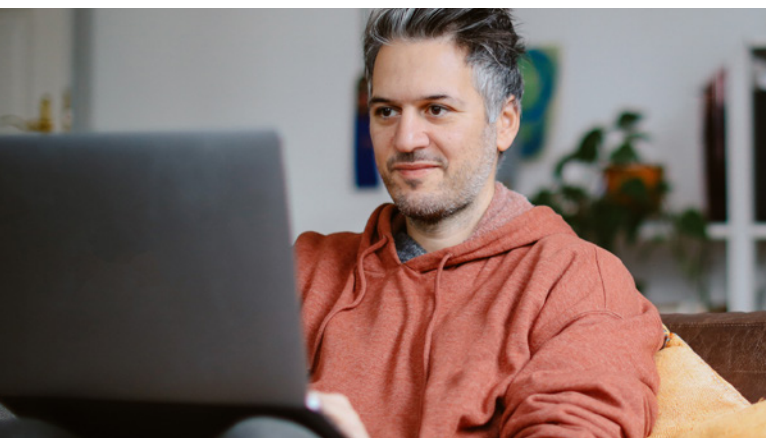
There are several benefits to using data feeds in the management of your SMSF, including:

**Accuracy and efficiency:** Manual data entry is prone to errors, which can lead to financial discrepancies. SMSF data feeds ensure accurate and timely recording of transactions, reducing the risk of mistakes.

**Time-saving:** Automating the transaction entry process saves valuable time. Trustees can focus on strategic financial planning and decision-making rather than spending hours reconciling bank statements.

**Real-time monitoring:** With data feeds, trustees and their service providers can monitor their SMSF transactions in real time. This immediate access to financial data empowers informed decision-making and timely responses to any issues that may arise.

**A simplified audit process:** Having well-maintained, error-free financial records is crucial during audits. SMSF data feeds provide clean, organised data, making the audit process smoother and less time-consuming.



## How are data feeds set up?

As the Fund's accountant and administrator, we will provide the relevant authority forms that need to be signed by all trustees of the SMSF. This form gives consent to the financial institution or bank to provide us with the transactional data feeds which need to be sent to the financial institution before any transactions can be received by our accounting software. The financial institution will review the signed form to ensure that the signatures on the form match the signatures on file. If these do not match, the form will be rejected. Due to these checks, a bank feed form cannot be signed electronically (e.g., DocuSign), as the financial institution needs to check a 'wet' signature on the records they have on file.

Some financial institutions have implemented a system where the trustee gives access to the accounting software via their electronic banking service. Once the access has been granted, the data feed will start immediately.

## What information can BDO obtain if I consent to a data feed?

We will receive the same information that you see on the Fund's bank statement, i.e., the transaction data only. These transaction details are loaded into our accounting software each night. However, we **cannot** access the Fund's bank account, nor can we process or authorise any transactions on the account.

Please be aware that we will not receive a physical copy of the Fund's bank statement. The Fund's auditors will require a physical copy of the Fund's bank statements, which we will not have access to.

If the auditor requires copies of the Fund's bank account statements, a scanned copy or photo from your smartphone is sufficient. The copy must include:

- ▶ The name of the financial institution
- ▶ The full name of the Trustee and the fund
- ▶ BSB and account number
- ▶ A running balance of the account.

If you have any questions about how a data feed can assist in the management of your SMSF, please contact [your BDO adviser](#).

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