

**RETAINER FOR ACCOUNTING SERVICES AND COSTS AGREEMENT WITH SOUTHERN ACCOUNTING
AND CONSULTING SERVICES PTY LTD***
ABN 68 061 161 966

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Office hours 9.00am to 5.00pm weekdays. Consultations by appointment.

Agreement for costs and disbursements Pursuant to the principles of user pays and consistent with professional standards and industry practice, all work, both technical and non-technical, performed by us on your behalf will be charged on a fee for service basis at the rate of **\$1.50 per minute (supervised support staff) up to \$6.60 per minute (principals) plus GST or part-hour pro rata**. This means that **all time that is spent working on your matter or account*** (e.g. telephone calls, preparing all correspondence and documents, perusing correspondence received, technical research, travelling time, consultation with you or persons relevant to your matter or transaction, meeting preparation, photocopying, processing and forwarding mail and attending external proceedings, arranging tax payment plans, varying PAYG instalment amounts, preparing and lodging returns not necessary notifications with the ATO, providing supporting documentation / statements for finance applications, and provision of professional advice, etc.) will be charged at these rates, unless standard fee for service rates apply e.g. basic individual tax return preparation.

***Each attendance is calculated and charged in three-minute units e.g. a 25 minute attendance of supervised support staff equals – so 9 times 3 minute units @ \$4.50 per unit = \$40.50 plus GST total cost.**

The hourly rate does not include a GST component. GST will be a separately charged item in your account. It will be charged on all professional fees charged and disbursements incurred.

Professional costs do not include disbursements. Disbursements are out of pocket expenses incurred directly on your behalf e.g. stamp duty and filing fees, postage, STD/IDD costs, all calls to your / from my mobile telephones, faxes, Government charges, selected bank fees and interest, etc. Disbursements must be paid as an item on a tax invoice / fee note of professional costs and disbursements.

Estimate of total professional costs and disbursements Where ever possible an estimate of approximate professional costs and disbursements for standard engagements will be provided at the date of initial consultation and confirmed in an **Engagement Letter**.

Billing frequency and payment of tax invoices and recovery An account of professional costs and disbursements (tax invoices) will be rendered at the completion of each matter or on a periodic lump sum basis. It must be paid upon completion of work before lodgement for standard tax return preparation and in all other cases within **14 days** of receipt (invoices that are not disputed within 14 days of receipt will be deemed immediately due and payable). Work on your matter may be suspended pending payment. We have a lien on all papers or assets held for unpaid fees, outsourced recovery action will generally commence if a tax invoice remains unpaid 7 weeks after the date of issue, *with clients liable for statutory interest on unpaid amounts and all recovery costs*.

Payment methods and discounts Payment of tax invoices may be affected by cash, cheque, money order, periodic direct credit, certain credit cards or by internet banking facility.

THIS RETAINER AND COSTS AGREEMENT SHOULD BE READ IN CONJUNCTION WITH ANY ENGAGEMENT LETTER AGREED BETWEEN US AND THE FOLLOWING NOTE ON OUR BILLING PROCESS AND IS EFFECTIVE FROM 1 JULY 2022. IF YOU DO NOT WISH TO RETAIN MY FUTURE SERVICES ON THIS BASIS, PLEASE ADVISE ME IN WRITING WITHIN 7 DAYS OF RECEIVING THIS AGREEMENT (CONTINUING INSTRUCTIONS RECEIVED AFTER RECEIPT OF THESE TERMS WILL BE CONSTRUED AS ACCEPTANCE ON THESE TERMS).

* Liability limited by a scheme approved under Professional Standards Legislation

A note on our billing process:

The following overview is provided to document the terms and conditions of our engagement to provide accounting and taxation services in the absence of a valid agreed Engagement Letter with the client, and also in response to some client queries about our billing process, and is to be read in conjunction with our *Terms of Retainer and or Engagement Letter*.

Clients are charged for all work performed by us on their behalf. The basis for calculating our tax invoices is on the basis of all time spent working on your matter (time spent on technical, procedural and administrative matters), plus disbursements.

Work of a "substantive" nature and provided in the traditional form (e.g. face to face meetings, written opinions, legal research, completion of business activity statements, finance application documents, preparation of end of year accounts and tax returns, preparation of APRA/ASIC returns, etc.) is generally billed separately at the completion of the matter.

Work of a "substantive" nature and provided via our **SACSAssist** fee for service platform (e.g. provision of professional advice from qualified staff by email in response to a client request for advice, time spent satisfying clients requests for the provision of information or copies of documents from client files / ATO Portal / letters of certification such as in support of loan or finance applications, time spent liaising with other entities at the request of clients such as negotiating payment plans with the ATO for tax debts / varying PAYG instalments, provision of STP solutions for employers, time spent responding to other entities inquiries relating to client affairs such as an ATO review or audit of tax returns / BAS's, provision of bookkeeping services such as setting up client accounting systems / training / onsite or remote bookkeeping, etc.) is generally billed separately at the completion of the matter.

Work of a "non-substantive" nature (e.g. provision of certain advice by phone / email / mail, correspondence perusal and forwarding, time spent satisfying clients requests for the provision of information or copies of documents from client files, corporate register maintenance costs, registered office costs, time spent responding to other entities inquiries relating to client affairs, etc.) is generally aggregated and billed on a periodic basis, usually in conjunction with the end of year accounts and returns.

Various costs *not directly* associated with a particular clients work (e.g. office rental, insurance, computer hardware purchases, computer software updates, registrations, advertising, equipment rentals, plant and equipment purchases, etc.) together with the wages of principals and staff are accounted for in our hourly charge out rates, which are applied to substantive / non-substantive work. We strive to match the seniority of staff to the particular task at hand to maximise our efficiency and to minimise the cost to the client.

Further, various "disbursements" incurred *directly* in the performance of work on clients behalf (e.g. courier costs, telephone calls to and from mobile phones, long distance telephone / facsimile calls, photocopying costs, certain postage and handling costs, selected Government fees and charges, selected bank fees, interest and charges incurred, etc.) are allocated on a user pays system, aggregated and generally billed on a periodic basis, usually in conjunction with the end of year accounts and returns.

A special note about "salary and wage tax return clients". The nature of the limited engagement to complete tax returns is that clients are generally charged a standard fee specifically for the preparation and lodgement of their tax return and processing of their tax assessment documentation. The provision of any accounting services in addition to tax return preparation (for example dealing with any ATO review / audit of the tax returns pre or post assessment) is a separate engagement and clients will generally be charged on a user pays basis at rates listed above. Therefore, whilst salary and wage tax return clients have ongoing access to all practice staff and the full range of services offered by the practice at all times, the standard tax return preparation fee charged does not entitle clients to *complimentary* ongoing accounting services, such as email advice from qualified staff. We welcome the opportunity to be of ongoing assistance to salary and wage tax return clients

throughout the entire financial year, however, depending on the nature of client inquiries and or the number of such inquiries, we reserve the right to issue tax invoices in relation to same either at the completion of a specific matter or at the end of the financial year on a user pays basis at rates listed in the body of our Terms of Retainer. Further, in compliance with pronouncements from the various professional bodies and professional indemnity insurers and in conformity with our practice risk management policy we request that clients requesting professional advice either make an appointment for a face to face consultation or that queries be addressed to us in writing (i.e. mail, email or facsimile with all relevant circumstances briefly detailed) to enable us to properly consider all relevant factors when addressing queries. Professional advice will not be provided over the telephone. As a client service the practice continues to dispense complimentary general advice through information contained on its website, in its newsletters and in other information bulletins. Clients can access further *complimentary and instantaneous* advice directly from other agency's such as the Australian Taxation Office on its general enquiries line 13 72 86 or on its website at www.ato.gov.au or elsewhere at sites listed under Linkages on our website.

As a registered enterprise we are required to account for the Goods and Services Tax (GST). GST will be a separately charged item on your tax invoice. It will be charged on all fee charges and disbursements incurred.

Tax invoices can be paid by cash, cheque, money order, credit card, periodic direct credit or by internet bank transfer (appropriate banking details provided on request). Discounts continue to be available for monthly set fee direct credit clients.

Some services, such as initial short consultations of a general nature and the provision of regular newsletters, continue to be provided to clients free of charge as a complimentary client service.

The "*nature of our engagement*" involves us completing our tasks in providing the required services upon the following minimum terms of engagement.

Whenever possible we will attempt to complete substantive end of year business compliance work within 21 days of receiving your accounting information. We may take additional time if your information is inaccurate or incomplete and we are required to obtain additional information and or documentation from you or any of your agents. Personal tax returns will usually be completed at the time of interview or within 24-48 hours of us receiving complete information / documentation from the client; and

We will prepare financial reports, taxation and information returns for all entities of the client. These reports will be prepared in accordance with generally accepted accounting procedures, the Corporations Law, the taxation law and the Australian Accounting and Auditing Standards; and

The underlying financial information (bank statements, invoices, cheque books, deposit books, spreadsheets and so on) will be provided to us by you. Unless requested, we will not verify or validate the financial information and we will not audit the accounts. Without an audit our work cannot be relied upon to disclose irregularities of the client's records. However, we will inform you of any matters which come to our attention; and

Financial statements and taxation returns will be provided to you for the agreed purposes, and to the extent permitted by law, we do not accept any responsibility or liability in any way whatsoever to any person other than yourself. No person should rely on the information contained within the statements and returns without having an audit or review conducted.

The "*conduct of our engagement*" shall conform with the standards and ethical requirements of CPA Australia (and Chartered Accountants Australia and New Zealand), which in conjunction with the Privacy Law provisions ensures that any information obtained by us when completing our tasks is subject to strict confidentiality rules.

It is a CPA Australia requirement that our firm as a holder of a public practice certificate undergo periodic quality reviews to ensure that our practices and procedures are compliant with professional standards. The review will include an examination of the accounting files of a sample of our clients. We advise you that in confirming our engagement you agree that if requested the files relating to this engagement will be available for inspection. If your file is selected for a review we will notify you of same and seek your specific approval. More information on the CPA Quality Review program can be found at www.cpaaustralia.com.au

In terms of the “*output of our engagement*”, all original copies of documents provided by you remain your property, although we retain the right to make copies of appropriate documents for retention on our accounting files. We will provide you with original copies of any financial statement, taxation return and associated documentation. Any other document generated by us in the conduct of our engagement remains the property of our firm.

The firm has a policy of retaining a legal lien over any client documents in our possession in the event of any dispute.

Our liability is limited by a scheme approved under Professional Standards legislation. More information can be obtained at www.professionalstandardscouncil.gov.au

Pursuant to the Tax Agents Services Act (2009) we are required to inform you of your basic “*rights and obligations in relation to our provision of taxation services*” for your Group.

These include the following re:

- You have an obligation to obtain, maintain and or retain (for at least 5 years) appropriate records which will enable you to confirm your assessable income, allowable deductions and or entitlement to taxation offsets or rebates. Failure to attend to same may in the event of an ATO review result in your claims being disallowed, additional taxation being imposed along with penalties;
- You are subject to a self assessment system of taxation, in which the ATO will accept the information which is contained in your taxation returns, and issue assessments based on same, although they retain the right to review your return at any time over a 5 year period (generally). If the ATO ultimately amend your return to include additional income and or deny claims for deductions or concessions, it may result in additional taxation being imposed along with penalties;
- You are responsible for the accuracy of information contained in your taxation returns and the obligation to substantiate that information vests with you. We are entitled to rely upon the information which you provide when completing your taxation returns;
- Taxation and other law provide you with various rights in relation to taxation matters (e.g. you can object to an assessment issued by the ATO, you can appeal against any decision made by the ATO, you can request an opinion on a taxation matter from the ATO, you can seek the intervention of the Taxation Ombudsman in any taxation dispute, etc). However, time limits may restrict your ability to exercise your taxation rights, so you should bring any taxation matters of concern to you to our attention immediately so that we can ensure that your rights can be best protected; and
- More information on your taxation rights and obligations can be found at www.ato.gov.au, e.g. the Taxpayer Charter.

NB: Information current as at 1 July 2022