



CHANNEL BOOKKEEPING

ABN: 62 901 344 748

BUSINESS ENGAGEMENT LETTER

Dear Client

Thank you for your instructions to attend to the bookkeeping and BAS requirements for your business. This document sets out our terms of engagement. It is not exhaustive and seeks to provide a general basis of understanding and agreement as to the nature of your service. Please read it and make sure that you understand the scope of our engagement.

If the terms of our engagement are acceptable, please sign the enclosed copy of this engagement letter and return to our office. Please contact us immediately if you do not understand, or wish to discuss, any aspect of the terms of this engagement.

If you do not forward your signed copy of the engagement letter nor contact us with changes to the engagement yet continue to provide us with information and instructions regarding your financial affairs, the terms and information in this letter will bind us both.

Purpose and scope of the engagement

The services that I provide require me to register as a BAS agent with the Tax Practitioners Board, therefore I will be subject to the provisions of the *Tax Agent Services Act 2009*. As your BAS Agent I will:

- (a) analyse, discuss and make recommendations regarding your bookkeeping requirements
- (b) liaise with your accountant /treasurer/auditor on relevant issues and
- (b) prepare and lodge your Business Activity Statement (BAS)

The bookkeeping and other services we provide to you will be performed by us at a combination of at your business and at our office and also remotely.

We will be provided with / establish specific user access to your software and systems to enable our processing and the identification of the work performed.

We detail below our understanding of the services that we are required to perform for you.

1. General Bookkeeping and Accounting Services

- Entering and/or verifying the entry of customer and supplier invoices into accounting software
- Entering and/or verifying the entry of payments and receipts from bank,
- Emailing / communicating any queries related to the accounts for the period
- Ensuring the correct integration of different business systems into the accounting record, (for example point-of-sales systems or add-on solutions)
- Reconciliation of all the bank accounts, loan accounts and credit cards
- Reporting Balance Sheet, Profit and Loss and other reports as required.
- Reporting outstanding debtors and creditors (if applicable)

2. Payroll

- Setup employees in payroll system
- Prepare payroll fortnightly/weekly updated from details provided by you
- Lodge Single Touch Payroll pay event weekly/fortnightly/monthly
- Monitor employee entitlements



CHANNEL BOOKKEEPING

ABN: 62 901 344 748

- Lodge Tax File Number declarations
- Review, advise and lodge PAYG Withholding and Superannuation
- Reconcile end of year wages
- Report end of year wages and lodge Single Touch Payroll Finalisation
- Roll over payroll year if applicable

3. Debtors

We will maintain your debtors (receivables), including:

- Preparing invoices as requested by you and emailing them out on your behalf
- Preparing statements each month and sending them to you for review and mailing them out
- Providing an analysis of unpaid invoices each month for you to follow up.

4. Creditors

We will maintain your creditors (payables), including:

- Receiving orders and creditor invoices from you coded and approved for payment.
- Reconciling creditors statements and resolving queries on your behalf.
- Drawing cheques/money transfers each month and sending them to you for signing (please note that a separate signed authority must be provided to us if we are engaged in making payments on your behalf)

5. BAS Services

- Review and report on monthly/quarterly BAS.
- Lodge Single Touch Payroll pay events
- Email reports and declarations.
- Lodgement of BAS upon receipt of authority.
- Yearly BAS reconciliation and relevant BAS adjustments.

6. EOY

- Review end of year reports
- Provide accountant/auditor with information as required for year end
- Liaise with the accountant/auditor as to any end of year journals or adjustments
- Ensure essential and required business records are maintained and stored for the financial year.

7. Other Services

- Consulting/Training of staff in accounting software
- Analysis and advice on Industry Awards
- General advice relevant to small business management
- Budget Planning
- Other:.....

If additional work is required beyond the items listed above, then we require it to be specifically outlined to us. We will confirm additional instructions in writing, (email), before commencement of the work.



CHANNEL BOOKKEEPING

ABN: 62 901 344 748

Knowledge and skills

While the work, as defined, is within our knowledge and skills, any changes to the work may necessitate making new arrangements with you. If requested additional work is outside our experience or competency we shall discuss with you how to ensure the work is performed appropriately including seeking assistance from a person who holds the expertise.

Nominated Representatives

The persons we will deal with in your business/organisation are:

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Any nominated representative may authorise other persons to deal with us but this must be confirmed in writing.

Communication

You must keep us informed of your current business details including address, phone and email address. We are engaged and authorised to work with your business by the people named above and any changes to your personnel and their respective authorisations that change the performance of our work for you should be advised to us. We would also appreciate all communication to be polite and professional.

Regular Input Required From You

It is expected that the source documentation will be made available to me/us as and when required. I/We will not be responsible for any errors brought about by your failure to provide information, documentation or material that is later found to be material to your Bookkeeping requirements. You are responsible for the timely provision of information and I/we will not be responsible for any consequences brought about by your failure act in a timely manner.

Examples of source documents commonly requested are:

- Bank statements and credit card statements
- Creditor invoices (approved) for payment and or data entry and filing
- Statements and any other correspondence received from creditors
- Daily till sheets for data entry purposes if applicable
- Access to the software used by your business
- Answers to queries from us by phone/email

Professional Fees and Payments

My standard professional fees are \$60 - \$100 per hour. We reserve the right to review and increase fees for services rendered on a regular basis (normally annually); any change in price will be notified in writing. At our discretion, we may offer a 10% discount to not for profit community organisations.

Our standard fees (excluding GST) from 1 June 2019 are:

Bookkeeping	\$60 per hour for current quarter.
Rescue Work	\$70 per hour for backlog of data prior to current quarter
Form lodgement	\$50 per lodgement
Reckon Professional Partner Support	\$100 per hour
Statement of Review	\$120 for the review and statement only. Preparation of financial reports charged extra at normal hourly rate



CHANNEL BOOKKEEPING

ABN: 62 901 344 748

Hourly billing is billed in increments of 15 minute blocks. A monthly fee may be arranged after 3 months of work has been performed to ensure accuracy of the quote. Refer to our website for current pricing for monthly packages. All fees are subject to review.

Terms Of Trade

- An invoice will be sent upon completion of work per calendar month. Those on monthly packages will be invoiced one month in advance
- Payment of that invoice is due 7 days net.
- We reserve the right to stop work if you fail to make payment when and as it falls due.
- Any debts beyond 30 days (unless a prior payment arrangement has been entered into) will be referred to a debt collection agency and any costs associated in recovering such debts will be passed onto you.
- Either party is able to end this agreement by giving 30 days written notice of intention to end the agreement. In the event of termination of the contract by you without the agreed notice, you agree to pay \$120 in lieu of notice. This period is required in order to allow professional and complete handover of your accounts

Changes, suspension or cancellation

You can change, suspend or cancel your service on one month's notice. Change or suspension may affect the monthly fee but will be discussed beforehand.

Limitation of Responsibility

Procedures to be performed will be limited exclusively to those related to the engagement, I/we have not been engaged to perform an audit nor a review and, accordingly, no assurance will be expressed. Unless otherwise agreed, the engagement cannot be relied upon to disclose irregularities, including fraud, other illegal acts and errors that may occur.

I/We advise that the responsibility for policy matters in regard to business accounting operating system and internal controls rest with you the client, except where I/we have been engaged to provide such services. If any weaknesses in the accounting system or internal control systems come to my/our attention, I/we will advise accordingly.

Payroll Matters (If applicable)

"Channel Bookkeeping" is engaged to establish the payroll systems based on the payroll information provided to us. We will implement and maintain the payroll based on this information. It is agreed that "Channel Bookkeeping" is not engaged to interpret and apply the FairWork provisions to this business.

Documentation

Before we lodge any returns on your behalf, we will forward the documents to you for your approval. A requirement of law is that you will also be provided with an authorisation for all lodgements required by the ATO including BAS lodgement, Payment Summaries and TPAR reports (if applicable). Lodgement of all forms will follow our receipt of that authorisation. Email authorisation is acceptable. We will endeavour to ensure that the returns are lodged by the due dates. If you are late in providing information, we will do our best to meet the time limits, but we will not be responsible for any lodgement penalties or interest you may incur. You will also not be charged to correct errors that are clearly our fault, but revisions performed at your request may require discussion and billed for any time incurred.



CHANNEL BOOKKEEPING

ABN: 62 901 344 748

Ownership Of Documents

The financial statements, bas returns and any other documents which we are specifically engaged to prepare, together with any original documents given to us by you, shall be your property. Any other documents brought into existence by us, including general working papers, the general ledger and draft documents, will remain our property at all times.

Ownership of the Accounting Software File

If our license for Accounting Software is used for your business, a licence removal fee may be charged at completion/termination of our bookkeeping services.

If you wish to takeover or transfer the licence for software from us, all outstanding fees to us must be paid. We note that the ownership of the data in the software becomes yours following payment of the respective fees.

If you choose to discontinue our services including the provision of software through us, we shall cease our licence to that software noting that it is your responsibility to ensure you have retained the necessary business records that you are required to maintain.

Please be aware that many software companies include in their terms and conditions the right to access your data file for their use and information. By giving me access to your business data (whether through my subscription or your own), in Reckon Accounts Hosted you also acknowledge that the terms and conditions of the software provider/s allow for their access to your data.

Destruction of Documents and Files

Upon our request either during our engagement or following its termination, you must collect your property without delay which will be released to you once our accounts are paid. Should any of your property remain in our possession following our request to collect it, we will hold the property for three months before destroying it in accordance with the Australian Consumer Law and Fair Trading Act 2012.

Disclosure

You [the client] must provide all information and documents relevant to the proper performance of the work at the outset of the engagement and during the engagement. This includes promptly advising us of anything that occurs subsequently to render information already provided misleading or incomplete, or advising of any change in your circumstances relevant to the work.

If during the engagement you become aware of any conflict of interest or potential conflict of interest or there is a change of circumstances which may result in a conflict, you must advise us. Events which may give rise to a conflict of interest or potential conflicts during the engagement include events affecting you, such as deaths, matrimonial disputes as well as litigation (threatened or actual) or changes in the nature or structure of your business or your business relationships.

There are provisions in the Taxation Administration Act 1953 that provide you (as from 1 March 2010) with "safe harbours" from administrative penalties for incorrect or late lodgement of returns if, among other things, you give us "all relevant taxation information" in a timely manner. This means that it is to your advantage to give us all information necessary for us to do the work.

Confidentiality Clause



CHANNEL BOOKKEEPING

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Any information and all matters connected with and relating to your business and its performance are confidential and we shall not disclose them to any other person/entity unless authorised to do so in writing. This includes the ATO and your accountant/auditor.

Privacy Statement

I/We are bound by the provisions of the Privacy Act to maintain all records securely and in accordance with the provisions of that Act. Any breach of these requirements should be notified to the Privacy Commissioner

Previous Bookkeeper

As a matter of professional courtesy, and in line with the requirements of the IPA, we will need to inform your previous accountant/bookkeeper that we have been engaged by you as your new bookkeeper and to receive from them any outstanding matters and files. You may refuse to provide this information but in doing it may cause problems in the efficient transfer of your files.

Standards

You will be provided the highest standard of professional service. If for any reason you feel you have not received the service expected, please in the first instance, contact me/us to discuss.

Furthermore, as a member of the Institute of Public Accountants in Professional Practice, I am subject to the ethical and professional requirements of the Institute of Public Accountants and its investigations and disciplinary processes. These requirements cover issues such as a Code of Ethics and requirements to undertake continued professional education. Should there be an issue regarding my ethical or business practices, such matters may be referred to the Institute of Public Accountants for investigation. As a member of the Institute of Public Accountants I am also obliged to hold current Professional Indemnity Insurance, and I warrant to you that my insurance cover is in accordance with the Institute of Public Accountants requirements.

The Next Step

To confirm your agreement with our understanding of your service, please sign a copy of this letter and return it to us by email or post.

We thank you for the opportunity to provide our professional services to you and look forward to a long and useful accounting relationship for many years to come.

Regards

Christine Behrens AIPA

Principal Bas Agent and Certified Bookkeeper



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Client Acknowledgement and Confirmation

I.....on behalf of hereby acknowledge and accept the terms of this engagement as have been provided. I shall be personally liable for all fees for services performed in accordance with such agreement. I agree to execute the Director Guarrantee/Personal Guarrantee.

.....
Signed

.....
Print Name

Date

.....
Signed

.....
Print Name

Date