



Pillars of Public Practice



BAS Agent
25985585

BAS Masters Pty Ltd
accounts@basmasters.com.au
Tel: 0420 419 860
Registered BAS Agent: 25985585
ABN: 26 634 055 306

Date: _____

Attention: _____

Company: _____

Address: _____

Email: _____

Phone: _____

Date of Birth (Sole Trader Only): _____

ABN: _____

TFN: _____

ENGAGEMENT LETTER

An engagement letter is an agreement between us (the service provider) and you (the client). Engagement Letters are customary across both the accounting and bookkeeping industries, and help to make clear a number of key aspects of the professional relationship, such as:

- The parties to the engagement;
- The scope of the engagement;
- The period of the engagement;
- The obligations of each party;
- Information relating to your affairs;
- Pricing of services;
- Ownership of documents and software.

Who You Are Engaging

You are engaging the entity **BAS Masters Pty Ltd** for bookkeeping services performed by **Corinne Turton** who holds **BAS agent number 25985585**.

As required by the *Tax Agent Services Act 2009*, we hold professional indemnity insurance to the level specified by the Tax Practitioners Board (TPB).

Our firm, or persons within our firm, hold the following professional memberships:

- Voting Member of Australian Bookkeepers Association (www.austbook.net)
- Xero Adviser Certification and Silver Partner

Persons & Entities Covered by this Engagement

Our engagement extends to the following persons and/or entities:

(Insert Company/Entity/person's Name) ABN _____

(insert Director/Authority Name) TFN _____

Scope of Engagement

Our engagement extends to the following services:

- Recording of receipts and payments into accounting software;
- Reconciliation of bank and credit card accounts;
- Posting of journal entries where necessary;
- Preparation of business activity statements (BAS) and installment activity statements (IAS) (*where instructed*);
- Payroll Processing (Weekly/Fortnightly);
- Single Touch Payroll Reporting;
- Phone and email-based support;
- Superannuation Guarantee Reporting at monthly/quarterly intervals;
- Annual Payroll ATO reporting;
- Preparation of monthly/quarterly financial statements;
- Preparation of the financial year-end workpapers for your tax agent;
- Bookkeeping training;
- Dealing with the ATO on your behalf on matters relating to BAS agent services

To be clear, our engagement does not extend to the following services:

- Preparation of income tax returns; Preparation of fringe benefits tax returns; Dealing with the ATO on your behalf on matters relating to tax agent services; Legal advice on any matter.

In relation to Payroll processing, our firm is engaged to establish the payroll systems and process the payroll on information provided to us by your business. To be clear, our engagement does not extend to the following services:

- Determining pay rates, award entitlements, legal advice on any matter
- Interpreting Awards or determining which Awards apply
- Advising on workplace agreements
- Advising on worker entitlements whether they be contained in a written agreement or mandated by Fair Work Australia
- Verifying the accuracy of employee timesheets
- Other as appropriate to the specific engagement
- Fringe Benefits calculations
- Novated lease-related calculations
- Completion of Employment Separation Certificates (although we may provide the calculations, clients complete the form)

For services that lay outside of our scope of engagement, and for any other matters that we advise as being beyond our sphere of expertise, we recommend that you contact your registered tax agent.

Period Covered by Our Engagement

Our engagement will be taken to have commenced from the point in time that this engagement letter has been signed and returned to us, unless an alternative future commencement date is agreed to by both parties or if work has commenced, the point in time that the work commenced.

Unless a limited engagement period has been agreed to by both parties, our engagement will be taken to continue indefinitely until either party terminates the engagement.

Bookkeeping Issues That Relate to the Period of Time Prior to Our Engagement

We will not be responsible for the accuracy of information entered prior to the commencement of our engagement. Sometimes, our ability to perform our services will be hindered by the inaccuracy or incompleteness of information prior to the commencement of our engagement, with some common examples being:

- Bank accounts, credit cards or loan accounts that have been unreconciled for a period of time;
- Bank accounts, credit cards or loan accounts that harbour erroneous unreconciled deposits and payments;
- Debtor, creditor and inventory subsidiary ledgers that have not been agreed to the general ledger for a period of time;
- Outstanding Business Activity Statements and Taxable Payment Annual Reports that require lodgement;
- GST and PAYG control accounts in the general ledger which harbour unexplained opening balances;
- Chart of accounts that have been poorly structured.

If we identify any such issues, we will discuss these with you. Broadly speaking, we can adopt two approaches:

1. Leave the issue for your tax agent to deal with. (Where the issue relates to problematic general ledger or subsidiary ledger balances, this usually entails transferring problem amounts to a 'suspense' account); or
2. Investigate and resolve the issue for you.

If you choose the second option, we will be only too pleased to assist; however, our time in resolving the issues will be fully and separately charged as independent assignments in their own right.

Payroll Issues That Relate to the Period of Time Prior to Our Engagement and during contractual period

We will not be responsible for the payroll accuracy, award wage, statutory compliance or employee/employer legal obligations with any payroll related matters during our period of engagement and/or which occurred prior to the commencement of our engagement. Sometimes, our ability to perform our services will be hindered by prior mistakes or inaccuracy of information prior to the commencement of our engagement, with some common examples being:

- Payroll software that has been set up incorrectly
- Incorrectly completed TFN Declarations or Superannuation Guarantee Choice forms
- Employees who have been set up incorrectly in the payroll software
- Deficient payroll software
- Underpayment of PAYG withholding in prior periods
- Underpayment of Superannuation Guarantee in prior periods
- Deficient record keeping.
- Misinterpretation of Employer/employee statutory and award obligations.

We will not conduct an audit of prior period payroll records unless instructed. If we identify any such issues, we will discuss these with you. Broadly speaking, we can adopt two approaches:

1. Leave the issue for your Tax Agent to deal with, or
2. Investigate and resolve the issue for you.

If you choose the second option, we will be only too pleased to assist; however, our time in resolving the issues will be fully and separately charged as independent assignments in their own right.

Our Obligations Under this Agreement

Our conduct as a BAS agent is regulated by the Tax Practitioners Board (TPB) and by the Code of Professional Conduct (Code), a legislated code that sets out the professional and ethical standards required of tax agents and BAS agents. The Code imposes a number of core principles on BAS agents, including:

- Honesty and integrity;
- Independence;
- Confidentiality;
- Competence;
- Other responsibilities, including upholding the proper administration of taxation laws, maintaining professional indemnity insurance, and responding to requests and directions from the TPB.

By visiting the TPB's web site at www.tpb.gov.au, you can find out further information about the TPB and the Code. You can also access an online BAS agent register, where you can view our BAS agent registration details.

For a client, one of the benefits of using a BAS agent is the ability to make use of the so-called 'Safe Harbour' provisions. Broadly, this means that ATO penalties will no longer apply to you where:

- a false or misleading statement is made carelessly, provided you have taken reasonable care to comply with your tax obligations by giving your BAS agent the information necessary to make the statement;
- a document (such as a return, notice or statement) is not lodged on time in the approved form due to a BAS agent's carelessness, provided you gave the agent the necessary information in sufficient time to lodge the document on time and in the approved form.

Your Obligations Under this Agreement

It is your responsibility to make all relevant information available to us in a complete and timely manner.

While we may seek clarification of some matters where there is a need to do so, we will not audit the information provided by you.

When recording transactions we will:

- assume that all income is reflected in the records that you provide to us, or provide us with access to. If income is received in other ways, it will be your obligation to make us aware of this;
- assume that all capital purchases and expenses can be substantiated, and in the case of any such items costing greater than \$82.50, we assume that a valid tax invoice is held;
- assume that all Payroll and Employee records, including pay rates, benefits, allowances, deductions and the like reflect statutory obligations including Awards, Workers Compensation, Superannuation and employment obligations.

There are civil penalties for false and misleading statements made to the taxation authorities or for actions which obstruct the proper administration of taxation laws.

As our firm is not being engaged to conduct a statutory audit of the financial records, we will not express an opinion as to the truth and fairness of the financial statements.

Information Relating to Your Affairs

We may, from time to time, use the services of third-party contractors to perform some of the services we are engaged to perform for you and your entities. You hereby authorise us to disclose information relating to your and your entities' affairs to all such third party contractors as we may choose to engage to perform such work. Where we use the services of third-party contractors, we are nevertheless ultimately responsible for the conduct and activities of those contractors and for the delivery of the services we are engaged to perform for you and your entities.

Additionally, from time to time, we and our third party contractors may engage external IT service providers (including "cloud computing" providers such as MYOB / Xero etc.) in the performance of services under our engagement with you and your entities. You hereby authorise us and our third-party contractors to disclose information relating to your and your entities' affairs to all such external IT service providers as we or our third-party contractors may see fit.

How We Price Our Services

This section of the engagement letter explains how we charge for our services.

For the engagement described by this letter, some of our services will be priced as fixed fees, while others will be priced by the hour.

Hourly Rates

Each member of our team is assigned an hourly rate commensurate with his or her qualifications and experience. The team members that have been assigned to deal with your needs and their hourly charge rates are listed below:

| Performed by | Service | Per Hour (Off site) + GST | Per Hour (On site) + GST | Priority & after hours rate (Weekday 5pm +) + GST | After hours rate (Weekend) + GST |
|----------------|---|------------------------------|-----------------------------|--|-------------------------------------|
| Corinne Turton | Bookkeeping, Payroll processing | \$80 | \$95 | 1.5 x base rate | 2.0 x base rate |
| Corinne Turton | Financial Controller, Business Management | \$125 | \$150 | 1.5 x base rate | 2.0 x base rate |

Fixed Fee

| | |
|---|--------------|
| BAS Activity Statement Lodgment | \$290 (+GST) |
| PAYG Activity Statement Lodgment | \$100 (+GST) |
| Single Touch Payroll Lodgment (less than 5 employees) | \$60(+GST) |
| Single Touch Payroll Lodgment (5-15 employees) | \$100 (+GST) |
| Single Touch Payroll Lodgment (15-50 employees) | \$200 (+GST) |
| Xero Set up (excluding subscription) – software conversion | Quote |
| Lodgments: NSW Payroll Tax; Superannuation; TPAR, ICARE Wage Declaration | |
| Long Service Leave Declaration, Adhoc regulatory, legal or likewise lodgments | \$150 (+GST) |
| Expense Reimbursements | Cost + 10% |
| Adhoc BAS Agent Services | Quote |

The pricing arrangement described by this engagement letter will have effect until [] to that date, we will correspond with you about the timing and amount of any changes to our prices. Invoices are rendered on a weekly basis. We require our fees to be paid within the trade terms stated on our invoices.

Ownership of Documents and Software

The Tax Practitioners Board (TPB) has provided practical assistance and explanation on the subject of BAS agents claiming a lien over client property in instances where there may be outstanding fees owing by the client to the BAS agent. Our firm has adopted the TPB's recommendations.

The following items are said to likely belong to the client irrespective of whether there are outstanding fees owing to the BAS agent:

- source documents e.g. ledgers, receipts, invoices and journals;
- correspondence between the ATO and the client;
- software licensed in the client's name.

The following items are said to likely belong to the client only where there are no outstanding fees owing to the BAS agent for labour expended in respect to these items:

- letters of advice, books of accounts, returns and financial statements;
- the accounting software file containing the client's data (unless the data file has been registered with the software vendor in such a way that it links to the client's licensed copy of the software, rather than to your licensed copy of the software).

Working documents of the BAS agent would not belong to the client unless the client specifically instructed the agent to prepare such drafts and paid for them.

Staff and Contractors

Our firm may utilise different employees and/or contractors to carry out our engagement with you. Our employees and contractors have signed agreements in place with us which preclude them from accepting employment or contracting directly with a client.

You should always feel free to raise directly with us any questions or concerns that may arise in relation to the persons we assign to our engagement with you.

Accepting This Engagement

If you believe that the contents of this letter accurately define our engagement, please sign both copies of this correspondence, retaining one copy for your records and returning one copy to us. We will treat this letter as the basis of our ongoing relationship and do not intend to re-issue the letter unless there has been a significant change in the role we fill for you.

If you believe that the contents of this letter do not accurately define our engagement, please contact Corinne Turton and we can discuss modifications to the letter.

Yours faithfully,

Director - Corinne Turton
BAS Masters Pty Ltd

Date signed

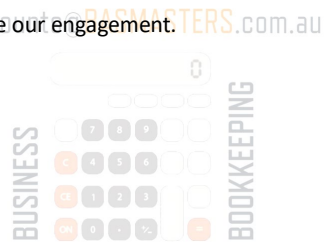
I believe that the contents of this letter accurately define our engagement.

Director (print name)

Director (signature)

Date signed

BAS Masters Pty Ltd
0420 419 860



Proud Member
Golden Key
International Honour Society



BAS Agent Authority

To be completed once only, on the first occasion that a BAS Agent provides a BAS Service to a client.

Section A: Purpose of this document

Corinne Turton of BAS MASTERS PTY LTD a Registered BAS Agent, holding BAS Agent Registration Number 25985585.

By completing this declaration, you are authorising **Corinne Turton** to:

1. Provide BAS Services as defined by the *Tax Agent Services Act 2009* to the Individual or Entity named in Section B; and
2. Receive instructions from the Person and/or Business named in Section C.

Section B: Client Details

This section refers to the client to whom Corinne Turton will be providing BAS Services.

Name of Individual or Entity

ABN of Individual or Entity

Address of Individual or Entity

Section C: Person / Business Providing Instructions on Your Behalf

This section refers to the person from whom Corinne Turton will be receiving instructions.

Name of Person

Business Name (if applicable)

Section D: Preferred Address for ATO Communications

When adding ourselves as your BAS Agent, we are asked to instruct the ATO as to whether ATO communications are sent to ourselves (as your BAS Agent) or to you. Please be aware that some ATO communications may be sent or retrieved digitally and others will be sent by post. Please tick one of the following to indicate your preferred address for ATO communications:

Corinne Turton

☐

The postal address that the ATO has on record for the Client specified in Section B.

☐

Section E: Client Declaration

This section should be completed by the client to whom Corinne Turton will be providing BAS Services. I declare that I am authorised to make this declaration.

Name: _____

Position (capacity to sign): _____

Signature: _____

Date: _____