

[DATE:FULLTODAYTEXT]

[CLIENT:BUSINESSNAME]

[CUSTOM:POSTALADDRESS]

[CUSTOM:POSTALCITY] [CUSTOM:POSTALREGION] [CUSTOM:POSTCODE]

[CUSTOM:POSTALCOUNTRY]

Dear [PRIMARYCONTACT:NAME],

Re: Engagement of our services

We are pleased to set out our understanding of the scope and terms of this ongoing engagement for the [CLIENT:BUSINESSNAME]. We thank you for your continued support of our business, and now provide this in line with our professional requirements set out in our CPA Public Practice Membership.

We will be responsible for the following:

1. Preparation of the Annual Financial Accounts, including the Statement of Financial Performance & Statement of Financial Position.
2. Preparation of Income Tax Returns
3. Review and assist in preparation of your BAS/GST, PAYGW and PAYGI obligations to the ATO where instructed by you
4. Preparation of PAYG Payment Summaries & PAYG Payment Summary Statements where required
5. Where appropriate, advice & documentation provisions in relation to various Income Streams
6. Where appropriate, advice & documentation provisions in relation to Death Benefit Nominations
7. Where appropriate, advice & documentation provisions in relation to Investment Strategies
8. Where appropriate, advice & documentation provisions in relation to Trust Deed updates & review
9. Where appropriate, advice & documentation provisions in relation to Tax Implications of transactions involving the SMSF

With respect to Corporate Secretarial engagements in relation to companies associated with the SMSF, whether in the role of corporate trustee or party to a Limited Recourse Borrowing Arrangement **we/you** will be responsible for:

1. Preparation of ASIC Forms as required from time to time to effect company changes
2. Lodgement of signed ASIC Forms
3. Preparation of Draft Solvency Declarations for your consideration (we note you will be responsible for determining the appropriateness signing the solvency statement)
4. Preparation of ASIC Annual Review Statement

With respect to Corporate Secretarial engagements in relation to companies associated with the SMSF, whether in the role of corporate trustee or party to a Limited Recourse Borrowing Arrangement **you** will be responsible for:

1. Review of ASIC Forms to ensure all contents are correct prior to signing
2. Obtaining signatures of documentation and returning to our office 3 working days prior to lodgement deadlines to avoid penalties for late lodgement

3. Preparation of the Solvency Declaration and sign after assessing company solvency
4. Payment of Annual ASIC fees direct to ASIC by due date as required.
5. Should you require any changes to your company register additional ASIC fees may be charged.

Specifically excluded from this engagement is advice & service in relation to:

1. Preparation and advice on Land Tax obligations
2. Preparation and advice on Stamp Duty obligations
3. Preparation of Payroll Tax obligation

You will be responsible for payments to be made to ASIC, ATO and other statutory authorities as required. Unless specifically authorised in writing, this engagement does not extend to us handling any of your money in the capacity as our client.

If we are requested to provide other specific service(s) they will be the subject of a separate engagement letter and thus a separate fee.

This work will be conducted in accordance with the relevant professional and ethical standards issued by the Accounting Professional & Ethical Standards Board Limited (APESB) and with Corporations Law & the Superannuation Industry (Supervision) Act 1993 (where this legislation is relevant to the task).

Under the SIS Regulations an audit of the Financial Accounts is required. We will be engaging an independent third party to perform these activities in relation to your fund. Therefore we will not be expressing an opinion as to the truth and fairness of those statements, but rather this will be provided by an independent third party. However, we will inform you of any such material matters that come to our attention.

To help us complete the elements of this engagement in an appropriate manner you will need to provide us with various information from time to time. We would request that this information be provided within the requested time frames, however should you be in a position where you cannot meet a time frame please advise our team as soon as you become aware of this situation.

Responsibilities

Please be aware that:

- (a) you are responsible for the accuracy and completeness of the particulars and information provided in relation to taxation services and this responsibility rests with you;
- (b) any advice given to you is only an opinion based on our knowledge of your particular circumstances; and
- (c) a taxpayer has obligations under self assessment to keep full and proper records in order to facilitate the preparation of accurate returns. It is the taxpayer's responsibility to keep those records for the periods specified by the relevant laws pertaining to the documentation.

Any information acquired by us in the course of our engagement is subject to strict confidentiality requirements. Information will not be disclosed by us to other parties except as required or allowed for by law or professional standards, or with your express consent. Our files may, however, be subject to review as part of the quality control review program of CPA Australia which monitors compliance with professional standards by its members. We advise you that by signing this letter you acknowledge that, if requested, our files relating to this engagement will be made available under this program. Should this occur, we will advise you. The same strict confidentiality requirements apply under this program as apply to us.

We may collect Personal Information about your representatives, your clients and others when we provide services to you. If we do, you agree to work with us to ensure that we both meet the obligations that we each may have under the Privacy

Act 1988 (Cth) (as amended) (**Privacy Act**). The obligations may include notifying the relevant person to whom the personal information relates who we are and how we propose to use their personal information. Where you have collected personal information, you confirm that you have collected the personal information in accordance with the Privacy Act, that you are entitled to provide this personal information to us and that we may use and disclose the personal information for the purpose/s we provide our services to you. We will handle personal information in accordance with the Privacy Act.

A taxpayer is responsible under self assessment to keep full and proper records in order to facilitate the preparation of a correct return. Whilst the Commissioner of Taxation will accept claims made by a taxpayer in an income tax return and issue a notice of assessment, usually without adjustment, the return may be subject to later review. Under the taxation law such a review may take place within a period of up to four (4) years after tax becomes due and payable under the assessment. Furthermore, where there is fraud or evasion there is no time limit on amending the assessment. Accordingly, you should check the return before it is signed to ensure that the information in the return is accurate.

Where the application of a taxation law to your particular circumstances is uncertain you also have the right to request a private ruling which will set out the Commissioner's opinion about the way a taxation law applies, or would apply, to you in those circumstances. You must provide a description of all of the facts (with supporting documentation) that are relevant to your scheme or circumstances in your private ruling application. If there is any material difference between the facts set out in the ruling and what you actually do the private ruling is ineffective.

If you rely on a private ruling you have received, the Commissioner must administer the law in the way set out in the ruling, unless it is found to be incorrect and applying the law correctly would lead to a better outcome for you. Where you disagree with the decision in the private ruling, or the Commissioner fails to issue such a ruling, you can lodge an objection against the ruling if it relates to income tax, fuel tax credit or fringe benefits tax. Your time limits in lodging an objection will depend on whether you are issued an assessment for the matter (or period) covered by the private ruling.

Involvement of Others

We may involve third party contractors or outsourced service providers in providing various aspects of your accounting work. These services may include:

- Accounting file preparation and/ or Data entry into our accounting systems
- Auditing of accounts (including Self-Managed Super Funds)
- Actuarial (pension) analysis
- Financial Planning & Dealing with Financial Institutions
- Home Loan, Business Loan & Personal Loan Services
- Investment & Insurance Services

Storage of Personal Information

By agreeing to this engagement and accepting these services you understand and acknowledge that from time to time Sage Business Group may use internet and cloud based storage services. The server systems for these storage services may be based overseas on occasions.

Ownership of Documents

The final Financial Statements, Income Tax Returns and any other documents which we are specifically engaged to prepare, together with any original documents given to us by you, shall be the property of you. Any other documents brought into existence by us including general journals, working papers, the general ledger, draft financial statements and copies of tax returns, will remain our property at all times.

Lien on Documents

In relation to any subsequent termination of our services, you are advised that we shall be entitled to retain all documents belonging to you and any related parties we act for until payment is received in full for all outstanding fees.

Fees

Our fees, which will be billed as work progresses, are based on the time required by the individuals assigned to the engagement, the experience and expertise required for the particular task plus direct out-of-pocket expenses.

Any additional fee for an additional service not covered in the scope of this engagement will be the subject of a separate engagement letter under separate fee arrangements.

Accounts for services provided will be forwarded to you as work in progress. Where appropriate, we will provide you with an upfront price estimate of including both the fees and payment terms confirmed in writing (including email correspondence). In any case, where there is not a specific agreement for a task, payment of any account is required to be made within 14 days of invoice date unless special alternative arrangements are made with our Finance Officer no later than 5 working days prior to the due date.

It is our requirement that the owners/directors of the business personally guarantee the payment of all accounts for professional fees, including out-of-pocket expenses rendered by us from time to time. Signing of this engagement letter is taken as your agreement to this requirement.

Period of Engagement

The terms of engagement are effective from the date this document is signed. The first period for which this particular terms of engagement covers is the 2018/2018 tax year. Earlier periods are covered by our prior engagement agreements (both written and verbal agreements). If there are earlier periods requiring our professional services, we will arrange for a terms of engagement to be signed specifying the period in question.

This engagement document will be effective for future years unless we issue an amended one to you.

Limitation of Liability

Our liability is limited by a scheme approved under Professional Standards Legislation. Further information on the scheme is available from the Professional Standards Councils' website: <http://www.professionalstandardscouncil.gov.au>.

Please sign and return the attached copy of this letter to indicate that it is in accordance with your understanding of the arrangements.

If you would like to discuss any matters in relation to the terms of our engagement or the contents of this letter, please do not hesitate to contact our office on 03 9744 7144.

Yours faithfully

Per:

Angela Reissis
SMSF Specialist
Sage Business Group

Acknowledged and signed on behalf of [CLIENT:BUSINESSNAME] by

Name

Date _____

Name

Date _____

Ref:[CUSTOM:CLIENTCODE]