

# Tax2go Tax Accountants

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Dear

**Re: Engagement of Tax2go as your Accountant/Tax Agent**

Confirming our discussions of *today* I am pleased to accept appointment as your *Accountant/ Tax Agent*. *I/We* will act in your best interest at all times and provide the highest level of professional service. This document sets out the terms of the engagement. Any additions will be by the written agreement of both parties.

As your *Accountant/Tax Agent* I will:

- a) analyse, discuss and prepare recommendations regarding your accounting records and financial affairs;
- b) prepare financial and other statements as requested (Pro package only);
- c) prepare and lodge taxation returns, review assessments and advise on appeal procedures where necessary; and.
- d) undertake other work as agreed.

You are reminded that:

- a) performance of tasks is limited exclusively to those set out in this engagement letter; and
- b) *I/We* do not (unless otherwise engaged to do so) undertake an audit or review, and as such no assurance will be expressed; and
- c) unless *I am/we are* otherwise engaged to do so, this engagement can not be relied upon to detect or otherwise disclose irregularities (such as fraud, illegalities or the errors of other parties); and
- d) Any advice given to you is only an opinion based on our knowledge of your particular circumstances. We are not licensed under the financial services regime and advice provided is not 'financial product advice'. You should consider seeking advice from an Australian Financial Services Licensed holder before making any decisions in relation to a financial product; and
- e) In addition to the financial information required to complete this tax return, it is expected that all relevant source documentation will be made available to us within 14 days of this letter or we reserve the right to terminate the engagement; and
- f) Unless otherwise agreed, these Financial Statements have been prepared on behalf of the client who has provided copies. These statements have been produced for the purpose of preparing the income tax return only and it is not a financial statement but a work paper. The firm Tax2go reserves the right to produce these statements using any software it deems fit. These statements are not to be supplied or relied up on by a 3rd party; and
- g) In the event spouses or partners part ways, I reserve the right to act for neither; and
- h) You give us permission to destroy your documents after 7 financial years; and
- i) These terms are deemed received by you once we have advised you they are available on our web site or emailed them to your nominated email address; and

- j) It is our policy that in the event of disengagement due to any of the mentioned points we give each other up to 14 days to terminate our arrangement and during this time all fees and charges you still owe the firm are paid in full.

### **Communicating with our office**

Under the terms of this agreement you also agree to deal with us using email if further information is required to complete your income tax return. Where the use of email is not possible we will telephone or use the standard postal system to request and return source documents.

### **Professional Fees and Payments**

The professional fees for the services provided will not include optional items, out of pocket expenses and statutory charges, unless otherwise agreed.

The standard professional fees for our business packages are (subject to notification of changes):

Lite	\$ 960 pa or \$80 / m
Basic	\$1560 pa or \$130 / m
Standard	\$2340 pa or \$195 / m or \$45 / w
Pro	\$3120 pa or \$260 / m or \$60 / w

For work undertaken for a period of less than an hour, the rate shall be charged in 9 minute blocks, or part thereof. All fees are GST Fre. The fee for this service does not cover inquiries or investigations conducted by the Australian Taxation Office.

### **Estimates**

Fees are reasonable estimates and costs may vary from time to time due to unforeseeable problems and delays, the cooperation of third persons and deficiencies in documentation. If costs are likely to be significantly higher than originally estimated, you will be informed in writing via email or post of the changes and reasons.

### **Terms of Payment**

A full account of professional fees, costs and disbursements will be provided. Unless otherwise agreed, terms are strictly cash on invoice. Once preparation begins you are bound to pay any fees applicable that a income tax return of this kind would attract. Should the account be unpaid by the due date, / / we reserve the right to use a debt collection agency or other legal means to recover outstanding fees.

### **Deduction of Fees from refund cheque**

It is agreed that fees for the service provided will be deducted directly from any tax refund cheque or bank transfer. In accordance with the requirements of the Institute of Public Accountants, your refund cheque or transfer will be deposited into /the firm Trust Account with the fee deducted and the balance forwarded to you the sooner of within 3 business days from receipt of monies or the next trading day of the firm from receipt of monies. You also authorise an independant auditor to audit the firms Trust Account and allow the Institute of Public Accountants (professional accounting body) to the report of the audit. The Trust Account is held at the Commonwealth Bank in Greystanes and the only signatory is Mrs Patricia Batynski. Where the signatory is unable to access the account due to unforseeable circumstances you give permission for an authorised person to be discussed prior to event should the need arise. Under the Property, Stock and Business Agents Act 2002, unclaimed trust monies are required to be lodged with the Office of State Revenue by us from 1 July 2013. The monies are considered unclaimed if they are held by us for more than 2 years and exceed \$100. Tax2go use lodge [http://www.osr.nsw.gov.au/lib/doc/factsheets/ofs\\_ucm2.pdf](http://www.osr.nsw.gov.au/lib/doc/factsheets/ofs_ucm2.pdf)

### **Disclosure of other fees and commissions**

//We will disclose to clients any commissions or other fees received as a result of work undertaken and will

fully comply with statutory requirements in relation to the disclosure of this information.

**Xero, Saasu, MYOB, Wave (Optional) YES  NO**

Please refer to business packages. Where your 'Basic'\* , 'Standard' or 'Pro' package includes this software you may choose your software provider. The cost includes 1 user, 1 business.

\*Wave only.

**Unlimited Support**

All packages include unlimited software support via phone, skype or email only for your chosen software provider for 1 user, 1 business.

**Annual Strategy meeting**

'Standard' or 'Pro' packages include 1, 45 minute annual strategy meeting. 1 Business only, 1 owner. Via phone, skype or email only.

**Access Us**

You may have a tax question! you can access us annually for 1, 45 minutes or you may choose to contact us in 15 minute increments. 1 Business only, 1 owner. Via phone, skype or email only.

**Quarterly tax planning**

Please refer to business packages. Where your on the 'Pro' package quarterly tax planning sessions are available, 1 per quarter, 45 minutes maximum duration. 1 Business only, 1 owner. Via phone, skype or email only.

**Documents**

Before documentation is lodged on your behalf, drafts will be forwarded for your approval. Documentation will be lodged with the relevant departments by the due dates, provided all information and documentation is received promptly after the Financial Year End or other statutory date. This will allow adequate time for preparation and lodgement.

If you are late in providing information, best efforts will be made to meet deadlines. No responsibility will be accepted for any late lodgement penalties incurred.

**Responsibility for Accounting and Internal Control Systems**

The responsibility for the maintenance of a business accounting system and internal control systems, including protection against and prevention of fraud, rest with you the client. You will also be responsible for the maintenance of books of account. This includes any work produced by a third party not engaged by this firm that is to be relied upon. If any material weakness in the accounting systems or internal control systems comes to our notice, you will be advised accordingly.

It is important to remember you are personally responsible for the information contained in any statutory return and that you must retain all necessary supporting documentation to substantiate transactions.

**Quality Review**

As a member of the Institute of Public Accountants, as Principal I am subject to periodic Professional Practice Quality Assurance reviews. Unless otherwise advised, you are consenting to your files being part of such a quality review. This review is of our client records and not of you as a client and you have full assurances that

complete confidentiality will be maintained throughout.

### **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, adherence to Accounting and Auditing Standards, requirements to undertake Continued Professional Education and to hold trust money in a Trust Account. 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.

As a member of the Institute of Public Accountants in NSW I am also subject to the Professional Standards Legislation. My liability is capped under a scheme approved by the Professional Standards Legislation.

### **Privacy Statement**

I am bound by the provisions of the Privacy Act to maintain all your records securely and in accordance with the provisions of that Act. Any breach of these requirements should be notified to the Privacy Commissioner. As noted above under "Quality Review", your file, unless you specifically forbid it, may be subject to a Quality Review. As a Tax Agent I am subject to the code of professional conduct established by the *Tax Agent Services Act 2009* (TASA), this code requires that unless legally required to I can not disclose information to a third party without your permission.

### **Accounting and Record Keeping**

In undertaking this engagement, it is understood that you will ensure that:

- a) the bookkeeping for all business entities are maintained on a regular basis. It is recommended that all bookkeeping and record-keeping tasks be attended to weekly;
- b) reconciliations of bank accounts, debtors and creditors are performed at the end of each month for each of the business entities;
- c) a stock take will be performed during the last weekend in June for each entity holding trading stock.

It is expected that the trial balance of each of the business entities will be completed no later than 15 October.

In respect of the personal Tax Returns for you and your family, it is expected that all relevant information will be collated and forwarded to our office by 30 November.

### **Ownership of Documents**

The final documents to be prepared under this engagement, together with any other original documents, shall remain your property. Documents prepared under this engagement, including general journals, working papers, the general ledger, and draft financial statements, remain the firms property at all times. However, the firm will always provide you with copies of any documents you require.

### **Lien over Documents**

In the event of the termination of our services, you are advised that a lien may be invoked over certain documents held until outstanding fee have been paid or other satisfactory arrangements made. A lien is a right to hold certain documents or property until the debt incurred in respect of that property/document has been satisfied. The lien however may not be held over property that belongs to another, including if held jointly, and does not cover statutory documents (e.g. a Tax Return, BAS or refund cheque). Should a lien be invoked, you

will be provided with a copy of all documents subject to a claim of lien.

### **Additional Services**

The agreed fee relates to the preparation and lodgement of the accounting statements and taxation matters detailed above. This fee includes the checking and forwarding of original assessments and original payment notices received from the Australian Taxation Office and the Australian Securities and Investments Commission.

Please note that any additional services or advice requested are not included in this fee. These services will be charged on the basis of the time and skill required to complete the tasks, including any out of pocket expenses. Please note, any correspondence from the Australian Taxation Office or ASIC that does not relate to initial assessments or original payment notices, will be treated as additional services.

Specific services to be provided are as follows:

### **BAS Returns**

Please refer to business packages. Where you are on the 'Basic', 'Standard' or 'Pro' packages your package includes your BAS returns prepared quarterly and lodged during the financial year. It is not possible to review the correctness of the underlying financial information as part of the preparation of the quarterly BAS return.

This engagement is for the preparation of the annual accounts at the end of the financial year. Accordingly the quarterly BAS returns will be based upon the financial information provided without review of primary source documents.

In doing so, it is assumed that the financial information provided by you is accurate, that the financial information correctly states the GST position; for example that all input tax credits and GST payable amounts have been correctly recorded; that you have supporting documentation to satisfy the Australian Taxation Office for GST audit purposes; and that you hold valid tax invoices and adjustment notes for all expenditure incurred and for which an input tax credit is being claimed.

It is possible that, when the financial accounts are prepared, discrepancies are noted between the information disclosed in quarterly BAS returns and the annual financial statements. Any corrections and related fees will be documented at this time.

### **Financial Accounts**

Please refer to business packages. Where you are on the 'Pro' package your package includes preparation of the annual accounts of 1 business entities. This service includes the preparation of:

- a) a profit and loss statement;
- b) a balance sheet; and
- c) notes to the above accounts.

This service includes maintenance of the charts of accounts for the general ledgers of your business entity. It also includes telephone support in relation to the recording of specific transactions in the general ledger.

This service does not include the preparation of one-off accounts for presentation to your financiers, for which a separate fee shall apply.

### **Income Tax Returns**

Please refer to business packages. Where you are on the 'Lite', 'Basic', 'Standard' or 'Pro' packages your package includes preparation and lodgement of income Tax Return for the business entity.

In addition to the basic financial information required to complete this Tax Return, it is a requirement that taxpayers are able to substantiate their claims and it is expected that all source documentation will be available to allow analysis of the income tax implications of any transaction.

The fee for this service does not cover inquiries or investigations conducted by the Australian Taxation Office.

### **Client's disclosure and record keeping obligations**

You are required by law to keep full and accurate records relating of your tax affairs. It is your obligation to provide *me/us* with all information that would be reasonably expected will be necessary to allow *me/us* to perform work contemplated under the engagement within a timely manner or as requested. This includes providing accurate and complete responses to questions asked of client by the practitioner. Inaccurate, incomplete or late information could have a material effect on services and/or conclusions.

I/We need not verify the underlying accuracy or completeness of information from you if it appears reasonable. However, if I/we believe information is missing, incorrect or misleading, I/we will need to seek further assurance from you.

The *Taxation Administration Act 1953* now contains specific provisions that may provide you with "safe harbour" from administrative penalties for incorrect or late lodgement of returns. These safe harbour provisions will only be available to you if, amongst other things, you provide "all relevant taxation information" to *me/us* in a timely manner (the safe harbour provisions apply from 1 March 2010). Accordingly, it is to your advantage that all relevant information is disclosed to *me/us*, as any failure by you to provide this information may affect your ability to rely on the "safe harbour" provisions and will be taken into account in determining the extent to which tax practitioners have discharged their obligations to clients. It is your responsibility to show that you have brought all matters to my/our attention if you want to take advantage of the safe harbours created under new regime.

### **Client's rights and obligations under the taxation laws**

Taxpayers have certain rights under the taxation laws, including the right to seek a private ruling from the Australian Taxation Office (ATO) or to appeal or object against a decision made by the Commissioner. Taxpayers also have certain obligations under Australian taxation laws, such as the obligation to keep proper records and the obligation to lodge returns by the due date. I/We must keep you informed of any specific rights and obligations that may arise under Australian taxation laws.

### **Tax Practitioners obligation to comply with the law**

I/We have a duty to act in our client's best interests. However, the duty to act in our client's best interests is subject to an overriding obligation to comply with the law, even if that may require *me/us* to act in a manner that may be contrary to your directions. For example, I/we could not lodge an income tax return that I/we believe to be false in a material respect.

### **Fringe Benefits Tax Returns (Optional) ) YES NO**

I/We have also been engaged to prepare and lodge the FBT returns for your business entities.

Please note that with the introduction of GST, it is no longer possible to prepare an FBT return from the information contained in the general ledger. It is necessary to revert to source documentation to analyse the FBT implications of transactions.

The fee for this service of \$<amount> is comprehensive and includes telephone advice for the preparation of the annual FBT return, the cost of an annual review of opportunities for the reduction of FBT expense on the annual

FBT return, and the calculation of Reportable Fringe Benefits Tax Amounts to be included on the annual payment summaries for any employees (including family members employed in your business).

### **Previous Returns**

It is noted that *I am/we are* not engaged to review the accuracy of previous returns lodged by your organisation including that of the Principals, Partners, Trustees, Directors, Shareholders or Beneficiaries. You have warranted that reliance can be placed on the balance sheet(s) and other financial records presented by you for this purpose.

### **Commonwealth and State Taxes and Duties**

It is noted that any Commonwealth and/or State Taxes and Duties, including the Goods and Services Tax (GST), imposed by legislation will be due and payable together with any other fees.

### **Client Acknowledgement and Confirmation**

Please contact the undersigned if you have any queries about this engagement.

Please sign and return the confirmation of acceptance of this engagement.

If you fail to return a signed acceptance but continue to use *my/our* services this will be taken as acceptance of the terms of this engagement letter.

Thank you for the opportunity to provide professional accounting and taxation services.

*I/We* look forward to developing a close and mutually satisfying relationship with you for many years to come.

Yours faithfully

Patricia Batynski

Principal

### **Acknowledgement and Confirmation**

*I, We Mr/Mrs* (Managing Director/owner), as Directors/Manager(s)/Owner(s) of

(Name and address of business)\_\_\_\_\_

, hereby acknowledge and accept the terms of this engagement. *I, We* also undertake that *I, We* have the capacity to make this engagement (if on behalf of an entity).

*I, We* also agree and shall be liable for all fees for services performed in accordance with this agreement.

Signed

Print Name

Date

Signed

Print Name

Date