

Welcome to Richards Financial Services! Our combined team of professionals has many year's experience in Accounting, Taxation, Business Development, Property Investment, and Self Managed Superannuation Funds.

Our specialty is small business and the correct structuring of property investments, and financial planning.

### **WHY USE RICHARDS FINANCIAL SERVICES?**

We believe that our two-tier support system offers our clients high quality service at reasonable fees.

Our firm's success has been due to the high quality of advice given and to the friendly personal service offered. As a result, almost all of our new clients come to us as a result of enthusiastic referrals from existing clients.

We are much more than a bookkeeping service. Many accountants only offer a bookkeeping service because they either lack the expertise, or are too busy with general accounting matters to explore and exploit the latest tax planning arrangements.

Tax laws are changing constantly and unless your accountant has the time to look into, and keep up to date with those changes, you will lose the benefits.

At Richards Financial Services we will always endeavour to give the best and latest advice available.

### **PURPOSE & SCOPE OF ENGAGEMENT**

The purpose of our engagement is for a combination of some or all of the following:

- Preparation of income tax return
- Preparation of financial statements
- Preparation of BAS & other GST related work
- Review of statements that you have prepared yourself
- Advice relating to investment, business development or Superannuation

### **WHAT ARE OUR FEES?**

Our fee for preparing accounts, tax returns etc is charged either on a "Schedule Fee Basis" or prepared on a Time Basis. The nature of the work will determine the basis of the charge.

The partner's normal fees are \$165 per hour and staff are charged out at \$50 to \$150 per hour. More specific information can be found at the end of this introductory paperwork.

# **HOW YOU CAN WORK MORE EFFECTIVELY WITH YOUR ACCOUNTANT**

## **MINIMISING ACCOUNTING COSTS.**

Our aim is to create a professional, happy and friendly working relationship, which gives us the opportunity to provide you with the best possible service at a reasonable cost.

To do that, it may help by informing you of the process the team at Richards Financial Services undertakes to complete your job. Some common questions we get asked are:

### **QUESTION: HOW DO ACCOUNTANTS CHARGE?**

**ANSWER:** All Accountants charge for their time. The longer it takes to prepare your Return, the more expensive it is going to be. Some businesses make money by selling hamburgers; Real Estate Agents get paid commissions, and ACCOUNTANTS SELL TIME. The more presentable your accounts are when they are submitted, the quicker we can get them done, and therefore the more cost effective it is for you. We only have 7.5 hours per day to sell and we would not be in business if we gave our product away.

### **QUESTION: CAN YOU GIVE ME A QUOTE FOR THE JOB?**

**ANSWER:** Just like its impossible to quote a building job over the phone without looking at the plans, or to value jewellery over the phone, it is not possible to know how long any accounting work might take.

Two sets of books for the same business can take twice as long for one set as for the other depending on how the books are presented. Please work with your Accountant to try to minimise the time, hence the cost. Ask your Accountant for a more efficient way of presenting your books to us. The more you do the less it will cost. Make sure everything is there. Should the Client Manager have to pick up and put down your work waiting for missing information, it will take longer and therefore it will cost more.

### **CURRENT CHARGE OUT RATES**

|               |                              |
|---------------|------------------------------|
| Partner Level | \$165.00 per hour            |
| Other Staff   | \$50.00 to \$150.00 per hour |

### **QUESTION: THE MYOB / QUICKBOOK SALESMAN SAID THAT THE SOFTWARE SHOULD REDUCE MY ACCOUNTING COSTS BUT IT'S ACTUALLY DOUBLED!**

**ANSWER:** The cost of accounting services to you depends on the time it takes for the accountant to prepare your accounts. When you purchase software, there is the potential to reduce the time it takes the accountant, if the information has been entered following standard accounting conventions. If the information has been entered without proper accounting training, the accountant will need to sort out what has already been done, and then re-do it. Basically, if there is garbage in, there is garbage out. It takes much longer to sort out garbage than it does to put it in the right area in the first place. The most frustrating thing (and every Accountant says the same thing) is when a client gives us a years computer printouts (after spending hours getting it to this stage) and we have to spend even more hours sorting out the mess. *Efficient* computerisation of your accounts depends solely upon the operator. If the operator is well trained and disciplined, then it definitely reduces the accountant's time. However if the operator is not trained, or lacks coding knowledge and discipline, then it takes a lot more time and we need to use more qualified (higher cost) staff. The ability of the operator usually depends on the level of training they have undertaken. Usually the cheaper the software package, the higher the level of training required. Skimping on training means higher accountancy fees required to correct the situation. If the operator is not skilled then it is much more cost effective to use a simple manual cashbook system (or simply supply cheque butts & bank statements).



When the client does this, we can use a more junior staff member to process the information at a lower charge-out rate, thus saving the client money. Please speak to your accountant to determine the best software package for your business. Take advice from a software salesman with a grain of salt. Your accountant is the best person to assess your accounting software requirements.

We do offer for our business clients the use of a system called "Banklink" to do their bookwork with. Basically what this does is download a copy of your bank statement onto our computer, and then we send a list to you of the "blanks" we need filled in. Eg instead of needing access to your chequebook while we do your accounts we just ask what a particular cheque was for as it cleared with the bank. It can automatically code things like direct debits and bank fees etc. This gives you the benefit of having computerised accounts, but removes some of the problems that can arise. *Please note that we do not receive any sort of "kickback" for promoting this program, we've just found that it has saved clients money and time in the past!*

**QUESTION: YOU'RE MY ACCOUNTANT – WHY ARE YOUR SUPPORT STAFF PREPARING MY TAX RETURN?**

**ANSWER:** It's more economical to you. It's silly to use a surgeon to stitch a minor cut when a G.P. can do it at a much lower cost. The surgeon cannot do it any better than a G.P. It's overkill to have a surgeon do it.

Don't forget that the staff at this office are doing this every day, and when you do something daily you become very quick and efficient at it.

Most of our team have diplomas or university degrees or are in the process of attaining one. Regardless of their qualifications, they all undergo ongoing CPE (Continuous Professional Education).

**QUESTION: I ASKED YOU TO RUN YOUR EYE OVER THIS DOCUMENT AND YOU SEND ME A BILL!**

**ANSWER:** Don't forget our business is to sell time. If the task takes less than 5 minutes (like a phone call) then ***we do it for free!*** If the task takes more than 5 minutes, we charge for it (including phone calls). We only have 7.5 hours per day to sell. If we gave it all away for free, we would not be in business, and therefore would be unable to serve you when you need us.

Whenever we request an answer to a question from our solicitors they send us a bill. Once again, this is based on the time spent. It's not unusual to get a bill for \$40 for a 15 minute phone conversation. This is standard practice. We understand that if we want their time we have to pay for it.

**QUESTION: HOW ARE YOUR FEES COMPARED TO OTHER ACCOUNTANTS?**

**ANSWER:** We are about 30% better value than city firms and similar to or better value than other Suburban Firms of a similar size.

**QUESTION: WHY HAS IT TAKEN SO LONG?**

**ANSWER:** During the PEAK PERIOD between August and March, there are over a thousand people and several hundred entities wanting their tax return completed. During this time the turnaround time may stretch out to 3 – 4 months or more. The sooner you get your information in, the sooner your work will be completed. Every Accountant in Australia is in the same boat. So please be patient.

Missing information will also delay the job, so it is imperative that when you send your information in, it is complete.

In the OFF-PEAK PERIOD between April and July turn around time drops back to a few weeks.



Remember how hard it is to get accommodation during school holidays? Just like there are peak and off peak periods for holiday accommodation, so to is there peak and off peak periods for Accountants. So be prepared for delays in the peak period between August and March.

### **PAYING ACCOUNTS ON TIME**

Please help us provide you good service by paying your accounts on time. Without payment we cannot provide the resources to give you prompt service. Some clients take a long time to pay but expect us to drop everything and attend to their needs immediately. It must be a two way street. A win / win for both.

You deserve to get the best service possible, and we deserve to be given the opportunity to provide it within the constraints available to us.

### **THANK YOU**

We would like to take this opportunity to thank you for giving us the opportunity to manage your accounting and financial affairs. We can assure you that we are managing our business in order to give you the absolute best that this profession can offer.

We assure you that we will provide you with the kind of services that have existing clients coming to us with comments like: *"the team of people at Richards Financial Services are beyond doubt the best group of professionals I have had association with"*.

We appreciate the confidence you have shown in our team and we will strive to continually improve that level of service by following our motto of "Continuous Development and providing you with peace of mind that we handle your affairs as if they were our own".

## **THANK YOU**

### **IN SUMMARY**

Ten steps to help you minimise accounting costs:

1. Efficient computerisation – select the most appropriate software, and ensure that you undertake appropriate training. The level of training determines the quality of work produced and hence the level of accounting fees paid. Alternatives include MYOB, Cash Flow Manager or Banklink.
2. Provide all the information in the first instance.
3. Summarise and reconcile as much as possible
4. Explain any unusual events at the initial meeting with your accountant
5. Ask yourself the question "can I attend to this without contacting my accountant" i.e. sometimes you may contact us to fax copies of documents which you may already have in your possession. For example Tax Returns.
6. Discuss with your accountant areas that can be improved or work that you can do to present the job better.
7. Use the Secretary for secretarial matters – not the partners.
8. Provide missing information quickly.
9. Do most of the running around yourself. For example calling banks and solicitors, collecting statements etc.
10. Remember that accountants sell time. The more time we spend on a job, the more it will cost. Be efficient and business-like when speaking to or spending time with your accountant. They are accountable for the 7.5 hours per day spend at the office. The full 7.5 hours is chargeable to clients. Be mindful of this if you are in a mood to chat.



## **PRICE LIST**

Below is a schedule of indicated prices based on standard charge-out rates.

***Please note that this is a guide only and cannot be used as a quoted fee, and these prices include GST***

|   | <b>Price From:</b>        |
|---|---------------------------|
| <b>Individual Returns:</b>  |                           |
| Group certificate, various other income, deductions                     | \$130 - \$150             |
| Rental schedule   | \$80                      |
| Business schedule   | \$80                      |
| Other additional time on tax returns over one hour each                 | \$80                      |
| <b>Accounting and Additional Services:</b>                              |                           |
| Letters   | \$25                      |
| Additional copies of tax returns and accounts                           | \$15                      |
| Bookkeeping (MYOB, all versions)  | \$80 per hour             |
| Fee from Refund   | \$15                      |
| Late fees   | \$10 per month            |
| Staff charge out rate   | \$50 – 150 per hour       |
| Partner Charge out rate   | \$165 per hour            |
| Worker's Compensation Renewal   | From \$150                |
| Builder's Long Service Certificate                                      | From \$50                 |
| Fringe Benefits Tax   | \$395                     |
| Super Surcharge   | \$200                     |
| ABN Registration  | \$50                      |
| Income Tax Withholding Variation  | \$80 – \$185 per property |
| <b>Companies:</b>   |                           |
| Fee for preparing Annual Return with ASIC                               | \$125                     |
| Fee for preparing change of details forms with ASIC                     | \$125                     |
| <b>GST Compliance:</b>  |                           |
| BAS / IAS / GST – per quarter   | \$110-\$550               |
| BAS / IAS / GST – prepared by client but annual reconciliation by us    | \$220                     |
| <b>Government Charges:</b>  |                           |
| Annual Return fee charged by ASIC for Pty Limited company               | \$218                     |
| Annual Return fee charged by ASIC for sole purpose SMSF Trustee company | \$41                      |
| Annual Supervisory Levy charged by ATO for SMSF                         | \$150                     |