



Outsourcing your bookkeeping can make life a lot easier and less stressful for you. This is the reason many clients choose us to do their bookkeeping as they would rather 'leave it to the experts'!

When we work with you to complete your bookkeeping, we'll develop a system for bookkeeping which meets your needs. We can do as much, or as little, of your bookkeeping as you require.

So whilst some clients like us to do nearly everything for them (including credit control), other clients prefer us just to be responsible for reconciling their bank or keeping on top of their supplier invoices.

However, the following is an overview as to how this will work in practice:

1 Your responsibilities:

When we're doing your bookkeeping for you, you'll be responsible for the following:

- Creating sales invoices (we can do this for you but we find it's more time and cost effective for you to do this yourself in the system)
- Updating the bank feed
- Forwarding all invoices and receipts to Dext
- Responding within one week to all requests for additional information
- Reviewing and approving the VAT return

2 Our responsibilities:

When we're doing your bookkeeping for you, we'll be responsible for the following:

- Processing your bookkeeping every two weeks
- Reconciling the bank account
- Processing all items uploaded to Dext
- Reviewing all outstanding purchase invoices
- Reviewing all outstanding sales invoices
- Reviewing and filing the VAT return
- Reviewing the balance sheet and profit and loss account each month



3 Our fees

3.1 We're not cheap but we're great!

We're not the cheapest bookkeeping service available – but we're very confident that our service is the best you'll get and our fees reflect that fact!

How do we know we're excellent? Well, here are a few of the reasons:

- We regularly take over the bookkeeping from other bookkeepers and have to spend time and effort correcting other bookkeepers' mistakes – this is expensive for the client and leaves them at risk of HMRC enquiries!
- We review your balance sheet every quarter to make sure that nothing significant has been misposted.
- We review your outstanding sales invoices and will remind you if there are older, unpaid invoices.
- We review your outstanding purchase invoices to ensure you haven't double or mis-posted transactions.
- We review the VAT treatment on any significant expenses on your VAT return – to make sure that VAT hasn't been missed or claimed incorrectly.

And the final reason we're so confident we're great? Well, we've had clients who have had VAT inspections and HMRC have been sent on their way with no issues and have actually praised the quality of the bookkeeping!

Please note that if you decide to appoint an external bookkeeper or PA to carry out the bookkeeping, we won't train them to do the bookkeeping as that would be counter-productive for us!! I'm sure you appreciate that you wouldn't train a competitor to take business from you!! We also won't put right anything they do wrong at the year end.



3.2 Set up fees

3.2.1 New business

Our Bookkeeping Manager will work with you to ensure that the correct implementation of the systems and procedures are put in place to maximise efficiency going forward.

Typically, where the bookkeeping is straight-forward, this is charged at our Bookkeeping Manager rate of £125+VAT an hour and would be between 5 and 7 hours.

If the bookkeeping is more complex then this will obviously take longer and may also involve a senior manager at £185+VAT an hour and/or a director at £415+VAT an hour.

Please rest assured we will do our best to keep these fees to a minimum and would keep you regularly updated with any issues we find and our estimated fees. This keeps you fully in control.



3.2.2 Existing business

Our Bookkeeping Manager will work with you to ensure that the correct implementation of the systems and procedures are put in place to maximise efficiency going forward.

Typically, where the bookkeeping is straight-forward, this is charged at our Bookkeeping Manager rate of £125+VAT an hour and would be between 5 and 7 hours.

If the bookkeeping is more complex, then this will obviously take longer and may also involve a senior manager at £185+VAT an hour and/or a director at £415+VAT an hour.

Any time spent resolving existing issues will be charged at actual hours – depending on the nature of the issues, this may involve the Bookkeeping Manager, and/or a Senior Manager and/or a Director.

We regularly find issues when taking over bookkeeping from either external bookkeepers or clients. Typically this results in an additional fee of £1,000 to £2,000+VAT.

Please rest assured we will do our best to keep these fees to a minimum and will keep you regularly updated with any issues we find and our estimated fees. This keeps you fully in control.



3.3 Ongoing fees

Once we have the process for the bookkeeping set up, and have resolved any initial issues, we work on fixed fees so you don't have any surprises. The number of hours charged is reviewed every 3 months and may increase or decrease depending on the work involved.

In order for us to determine how many hours are required, once the bookkeeping process has been sorted out, our first three months will be charged on the actual number of hours worked and will be invoiced at the end of the month.

Once we've determined the number of hours, these will be invoiced monthly in advance.

As a guideline, our usual minimum fee for bookkeeping is 8 hours per month at £60+VAT an hour - £480+VAT a month. If we find that you are taking significantly less than this and your bookkeeping is very straight-forward, we may reduce this.

However, please be aware that your hours will depend on the volume and complexity of your bookkeeping.

And there's no long sign up period – as soon as you decide you'd like to stop using our services, you just let us know!



4 Our service

In order to work effectively with you, we have the following requirements and guidelines:

4.1 Dext supplier invoice processing

We insist our clients use [Dext](#) – so we include this in all our bookkeeping packages.

Xero has a free supplier invoice processing add on called Hubdoc – but we can't currently work with this as it doesn't have the features and functionality that Dext does. However we regularly review Hubdoc to see if Xero has made any improvements to it – so far they haven't!!

4.2 Supplier invoice chasing < £100+VAT

If a supplier invoice is missing and it is for less than £100+VAT, we will only chase you for this invoice once. If you don't provide the invoice then we will post the payment directly from the bank with no VAT – even if we know the supplier is VAT registered.

Why do we do this? Well, if we claim VAT and you subsequently have a VAT inspection, it would be your responsibility to obtain a VAT invoice from your supplier to support the VAT claim. If you are unable to get a VAT invoice (and we would guess that this would be likely if you can't provide this in the first place!), this could raise issues in the unlikely event that you do have a VAT inspection.

Also, if we continue to chase you for invoices this can end up costing you more in our fees than the VAT you'd save – plus it puts additional stress on our team members!

If you would prefer that we claimed VAT where we believe the supplier is VAT registered, you need to let us know – we'll ask you about this when we start the bookkeeping for you. However we can't take responsibility for any errors that arise!

4.3 Supplier invoice chasing > £100+VAT

If a supplier invoice is missing and it is for more than £100+VAT, we will usually chase until we have the invoice. However at some point we may make the decision to take a view and post the payment without VAT for the reasons above.

Again, if you would prefer that we claimed VAT where we believe the supplier is VAT registered, you need to let us know – we'll ask you about this when we start the bookkeeping for you. However, as above, we can't take responsibility for any errors that arise!



4.4 Supplier chasing

If you would like us to phone your suppliers ourselves, that's fine but will be subject to an additional fee.

4.5 Providing us with information

Unfortunately, we can't continually chase for the same information – this would be time consuming and ultimately expensive for you!

The one document we insist on having every month is your bank statement – as that's the primary document for us to ensure your bookkeeping is going OK! And we expect to receive this within 3 days of your month end – and this is absolutely critical if it's your VAT quarter!

4.6 Outstanding sales invoices

We will review your outstanding sales invoices and let you know where we think there is an issue. However you will need to let us know if you believe an invoice has been paid so we can identify the receipt and recode it.

4.7 Outstanding purchase invoices

We will review your outstanding purchase invoices and let you know where we think there is an issue. However you will need to let us know if you believe an invoice has been paid so we can identify the payment and recode it.



4.8 VAT return submission

Your VAT return will be due for filing about 5 weeks after your VAT quarter finishes. That gives us lots of time to ask you for the information we need and finish your bookkeeping for you where you respond to all our requests for information.

We will guarantee to file your VAT return online provided you have responded within the required deadline to all our requests for information and approve your VAT return as soon as we upload it for approval.

If we're late, and it's our fault, we will pay any [late filing penalty](#).

However, if we don't receive all the information we require by within 3 weeks of your VAT quarter end we won't guarantee to prepare or file the VAT return on time!!

And finally...

- ☺ As long as your fees are up to date, if you have a VAT inspection, we will not only liaise with the Inspector regarding any queries they have on any VAT returns we've submitted – we'll also pick up any penalties and interest if we've dropped the ball on any of the returns we've reviewed (although we don't think we will!)



5 Where does it go wrong!

Hands up, sometimes we can't support a client with their bookkeeping. So why would that be?

Well we've listed the two most common reasons below:

5.1 The client doesn't respond in time

A non-responsive or slow responding client puts enormous pressure on our bookkeeping team – especially with regards to VAT quarter ends.

So where a client is non-responsive or slow responding, we may have to take the decision that we can't support them going forward – this isn't a decision that we take lightly.

The client might also pick up penalties due to VAT returns not being submitted – so we'd rather be honest with them before that happens.

5.2 The client mis-posts transactions

Where a client regularly mis-posts transactions, duplicates transactions or unreconciles transactions we have dealt with, it takes us far longer to find any errors and correct them!

So we have a couple of options available:

1. Whilst they can upload supplier invoices and receipts to Dext, we may prevent them posting these to Xero. However where incorrect and duplicate documents are regularly uploaded, our fees will be higher to resolve these issues.
2. We can ask them to refrain from posting any bank transactions in Xero (unfortunately we can't turn off the ability to do this). Whilst this may cost them more in our time for us to do all the bookkeeping, it will mean they don't have to pay our fees for finding and correcting errors (which can often be more than the fee for us doing the work!). And of course, they won't have to worry about the bookkeeping other than providing us with any information we request 😊

However, where a client won't stop mis-posting, duplicating or unreconciling, and doesn't want to pay our fees, we may have to take the difficult decision to stop supporting them with their bookkeeping or alternatively our fees may increase significantly!



6 Moving forward

We hope we've convinced you that we're the best solution for your bookkeeping needs. And if you'd like to chat to one of our other clients who uses our services (and who can compare our service with other bookkeepers for you), please just let us know and we'll happily provide you with their contact details.

Alternatively if you'd like more information as to how this might work for you and your business, please just let us know.