



FEE POLICIES AND STRUCTURES

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General overview and policies of BlueLineCapital Financial Services' billing process

This document sets out how our fees are calculated, introduces our standard fees, explains our terms of payment and explains our invoicing procedures.

We are always willing to engage with our clients in order to obtain better billing strategies. The information below is based on best practice, discussions with clients and regular market comparisons.

As a BlueLineCapital client, we will always ensure that your statutory and accounting requirements are up-to-date. We continue to service our clients up until we have received written instruction to stop. At this point we will cease all activity and issue our final bill if applicable.

1. BASIC METHODOLOGY

Fees are calculated according to the time spent as well as the complexity of the matter. Normal expenses, such as travelling fees, are billed once a month if applicable.

2. FIXED FEES

Many tasks undertaken by us are of a repetitive nature. (e.g. EMP201 submissions). In those instances we bill clients at predetermined rates (for those clients who have not opted for monthly billing packages). A list of these tasks and the applicable rates are set out on pages 5 to 9 of this document.

3. RATES

In some instances, clients request us to bill on a time spent fee structure. Our hourly billing rates are set out on pages 5 to 9 of this document.

4. BILLING INTERVALS

Times have changed and not many clients can afford to pay once off annual fees or on a time-spent basis. It becomes more cost effective to take out monthly packages and pay 12 affordable (easy on the cash flow) instalments.

However, for once off services, such as independent reviews, as well as projects spanning over multiple weeks, we bill on an interim basis.

If we provide services such as SARS submissions and registrations, we bill once the work is materially complete.

5. QUOTATION

We normally provide quotes before any task is undertaken. Estimates are provided based on our understanding of the work required. Please provide us with enough information to enable us to provide a proper quotation.

There are normally four reasons why estimated fees are exceeded:

- accounting errors made by our clients
- delays by clients in responding to requests for information (or submission of information received in piecemeal);



- issues relating to the fair presentation of the financial statements and or correct accounting policies;
- additional adjustments to the financials as a result of tax related matters that often require a number of versions of the final financial statements.

We therefore maintain the right to deviate from quoted fees when we need to spend additional time to complete a job. This will be communicated timeously to the client and clients are entitled to request an explanation when we digress from the quoted fee.

6. MANAGING YOUR COST

There are a number of tasks that you can perform, that will help to keep your costs down:

- sort out your receipts and other documentation as far as possible before handing them to us;
 - bring all your records to us in one batch and not piecemeal;
 - respond timeously to our requests and or queries;
 - give us a reasonable period to do the work, rushed jobs often result in us not being able to assign the best suited (read economical) person for the job;
- give us your expectations beforehand and avoid repeated requests for adjustments to the financial statements.

7. PAYMENT – GENERAL RULE

Our invoices are payable on presentation of invoice.

This is standard in our profession and can be explained as follows:

The average job takes 30 days to complete. Our major expenses are payable monthly (salaries, rent, municipal bills, payroll and accounting packages and so on). None of these “suppliers” offer us 30 or 60-day terms and thus capital outlay is required to pay for these overheads (most monthly in advance).

Payment terms are industry specific. (e.g. - nobody pays a restaurant 30 days after you had your meal)

8. DISPUTES

Please notify us ASAP if you are unhappy with any invoice raised. Please do not avoid taking our phone calls or ignore our emails requesting payment for services duly and professionally undertaken. Please do not wait for debt collectors to call before informing us of your grievance. Open and honest communication will 9 out of 10 times resolve any fee disputes.

9. LATE PAYMENT

We at **BlueLineCapital Financial Services** like to believe we have good paying clients however, we understand that the economic environment does not always lend itself to managing our financial obligations on time. It is important to note though, that you should not solicit the services of a professional if you are unable to afford their fees. Most professionals



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are very open and forthcoming regarding their fee structures, so once you have received a fee estimate it is at that point, you should determine your affordability and whether or not to enter into a service level agreement.

Post take-on, if your circumstances change for whatever reason; please notify us immediately so that payment arrangements can be made. Please be courteous enough to not request additional or further services whilst being aware of your financial difficulties, this will lead to yet another unpaid invoice. Unfortunately, we do not offer free services, as we are not a NPO.

Our general rule is first to assist our client in meeting their financial obligations with **BlueLineCapital Financial Services** before we terminate our services and hand over our clients to our attorneys for collection.

Please note that we reserve the right to terminate or suspend our service level agreement as soon as our invoice is outstanding for 60 days or when we are made aware of financial constraints. It is our policy to hand over clients, who have had invoices outstanding for 60 days from invoice date, to our attorneys. Thereafter, failure to follow the 21 days rule (explained by the attorneys), clients will be listed on ITC. Legal and collection fees will be for the account of the client.

10. INTEREST

Our accounting system automatically adds interest on outstanding balances, older than 30 days, at the prevailing mora interest rate. This interest will be calculated on the last calendar day of the month.

The Prescribed Rate of Interest Act (Act 55 of 1975) sets the maximum rate of interest that can be charged on mora interest (over-due payment) and is also used in court orders relating to damages claims. Currently the mora rate is the South African repo rate plus 3.5%.

Please note that future receipts are first allocated to the outstanding interest and then to the outstanding capital balance.

11. SPILLED COST

We often receive instructions which are then terminated after a week or two when we have done the bulk of the work (for example setting up a trust). An invoice will be issued on a time-spent basis (at the prevailing hourly fee of R650) regardless of the conclusion of such services.

12. DEPOSITS AND SECURITY

Should you build up an unfavourable credit record with **BlueLineCapital Financial Services** over time, we might request a deposit on future work or request payment before the work is released. We usually require owners or another financially sound associate/director to guarantee the recoverability of fees of any fellow entities/subsidiaries.



13. Liability of Information

All information that is supplied by the client is assumed to be correct, complete and accurate. Therefore, the client has sole responsibility for the accuracy and correctness of all electronic filing transactions submitted to the eFiling service through the use of the eFiler's user ID and access code. A written mandate detailing the authority granted to the eFiler by the client; and contain an acknowledgement by the taxpayer that any and all liabilities under a tax Act remains with the taxpayer will therefore be signed by the client.



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Schedule of Fees – Taxation

SERVICE	OUR FEE*
ITR12 - Individual income tax return - salaried employee only	R600,00 flat fee
ITR12 - Individual income tax return - salaried employee with only RA and Medical Aid deductions	R700,00 flat fee
ITR12 - Individual income tax return - salaried employee with several deductions and travel allowance	R1 200,00 flat fee
ITR12 - Individual income tax return - sole proprietor, commission earner or multiple sources of income **	R650,00 Ph Quote will be provided
ITR12/14 - verification/ audit selection by SARS	R550,00 Ph
ITR14 - company/cc income tax - nil return	R690,00 flat fee
ITR14 - company/cc income tax return	
IRP6 - provisional tax return - nil return	R350,00 flat fee
IRP6 - provisional tax return 1st, 2nd and top up for company, cc, trust and individual with calculations	R650,00 Ph Quote will be provided
Tax clearance certificates	R500,00
INDIVIDUAL TAXATION PACKAGES	OUR FEE*
Starter Package (includes ITR12 and IRP6 calculations and submissions together with an annual statement of performance. (Income and deductions are maintained monthly) Accountants on excel i.e. mini book keeping function)	R450.00 pm **
Silver Package ((includes ITR12 and IRP6 calculations and submissions together with an annual statement of performance. (Income and deductions are maintained monthly)	R650.00 pm***
Gold Package (bronze or silver package together with monthly logbook maintenance)	add R200.00pm

** (Where a taxpayer has rental income **or** commission that exceeds 50% of taxable income)

*** (Where taxpayer is a sole proprietor **or** has rental income **and** commission that exceeds 50% of taxable income)

Sole Proprietors Note: for a full set of accounts this would fall outside of the taxation services, a monthly bookkeeping fee would then apply.



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Schedule of Fees - VAT, Payroll And Bookkeeping

VAT	OUR FEE*
VAT201 - Nil return	R200,00
VAT201 submission only	R300,00
VAT201 with all calculations	R550,00 ph
VAT verification/ audit selection by SARS	R750,00
PAYROLL	OUR FEE*
Processing of payroll - per payroll - per payslip	R60,00
Minimum monthly fee	R300,00
EMP201 monthly submissions (PAYE, SDL,UIF)	R300,00 ea
Monthly UI19 form submissions	R300,00 ea
EMP501 bi-annual reconciliation and submission via efilng	R750,00
IRP5s per employee	R220,00
Annual Compensation Commissioner Returns	R1 100,00
BOOKKEEPING	OUR FEE*
Data entries - cash books, customers, suppliers, income, cost of sales, expenses, inventory, loan accounts	R350,00 ph
Journal processing	R350,00 ph
Depreciation and fixed asset register maintenance	R400,00 ph
Balance sheet reconciliations (general ledger, accounts payable, accounts receivable, inventory, loan accounts)	R400,00 ph
Monthly management accounts (trial balance, statements of financial position, performance and cashflow)	R600,00 ph
Audit schedule preparation	R400,00 ph



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Company, CC, Trust Monthly packages **

PACKAGE	OUR FEE*
STARTER PACKAGE not VAT registered, no employees, includes all bookkeeping services; <R600 000 annual turnover; <200 transactions pm; includes IRP6 submissions)	R990,00 pm
BASIC PACKAGE not VAT registered, no employees, CIPC annual return, includes all bookkeeping services; <R600 000 annual turnover; <200 transactions pm; includes IRP6 submissions)	R1 250,00 pm
BRONZE PACKAGE book keeping and payroll services for up to 5 employees, CIPC annual return, <R1mil annual turnover; <400 transactions pm, includes EMP201 and IRP6 submissions	R2 350,00 pm
SILVER PACKAGE includes all VAT, bookkeeping and payroll services for up to 10 employees, CIPC annual return up to R1,5 mil annual turnover, <500 transactions pm, includes EMP201 and IRP6 submissions	R3 550,00 pm
GOLD PACKAGE includes all VAT, bookkeeping and payroll services for up to 30 employees, CIPC annual return up to R5 mil annual turnover, <750 transactions pm, includes EMP201 and IRP6 submissions	R5 450,00 pm
DIAMOND PACKAGE includes all VAT, bookkeeping and payroll services for up to 50 employees, CIPC annual return up to R20 mil annual turnover, unlimited transactions pm, includes EMP201 and IRP6 submissions	R9 000,00 pm
PACKAGE TOPUPS	OUR FEE*
EMP501 bi- annual and annual up to 30 employees up to 50 employees up to 100 employees	add R350.00 pm add R500.00 pm add R800.00 pm
ITR14 and IT14SD submissions	add R600.00 pm
Full set of financial statements in accordance with IFRS for SMEs	add R650.00 pm

***(if your organisation does not fall into any of the above categories, we will analyse your current financial status/documents and tailor-make a monthly package). Packages exclude payroll set-up fees.**



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Registrations and Update of details

REGISTRATIONS	OUR FEE*
VAT Registration (via eFiling)	R1 500,00
VAT Registration (branch appointment)	R2 250,00
Import and Export licence registration	R1 800,00 each
Workmen's compensation registration	R1 200,00
PAYE registration	R1 300,00
UIF registration with Department of labour	R1 100,00
Ufiling registration	R500,00
eFiling registration	R500,00
Income tax registration including provisional tax - individual	R550,00
Income tax registration including provisional tax - company, cc	R950,00
UPDATING SARS DETAILS	OUR FEE*
Via eFiling	R450.00
Via SARS branch	R1650.00
CIPC Administration/ Registration	OUR FEE*
Name Reservation	R450.00
Company registration	R1 000,00
Annual CIPC return including Financial Accountability Supplement (FAS)	R750,00



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Specialized Services

SPECIALIZED SERVICES	OUR FEE*
Cash Flow forecasts	R700,00 ph
Budgets/forecasts preparation	R700,00 ph
Variance analysis	R700,00 ph
Market Research	R650,00 ph
Company valuations	R650,00 ph
FINANCIAL STATEMENTS	OUR FEE*
Preparation of annual financial statements in accordance with IFRS for SMEs or IFRS	R650,00 ph
OTHER	OUR FEE*
Earnings Certificate	R900,00
BBBEE affidavit	R550,00
Public Interest Score Calculation	R900,00



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