



RightWay Service Level Agreement

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Accounting

Annual Accounts

Description of service:

The preparation of your annual financial statements in accordance with the legislative requirements. These statements include a statement of profit or loss, balance sheet, statement of changes in equity, depreciation schedule and accompanying notes.

What's included:

- Reconcile the chart of accounts from your accounting software.
- Compile your annual financial statements and tax returns for the entity.
- Review your annual financial statements in accordance with Inland Revenue Department and Chartered Accountants Australia New Zealand requirements.
- If bookkeeping is not included, minor adjustments for any errors that are spotted during the year-end reconciliation process.

What's not included, unless already agreed to in your package:

- Audited/reviewed [financial statements](#) (assurance engagements).
- Major corrections needed to be made due to errors in bookkeeping.
- Preparing documentation for [subvention payments](#) and loss offsets.
- [Reconciliation](#) of major IRD debt arrears for all tax types including: [GST](#), [PAYE](#) and [income tax](#).
- Adjustments for transactions not in the ordinary course of business. For example, sale and purchase of property or business.
- Review/[audit](#) support should an external firm be reviewing/auditing the financial statements.

Goods and Services Tax (GST)

Description of service:

A review of periodic transactions and the preparation of your GST return. This will be aligned with monthly, bi-monthly, or six-monthly filing depending on your requirements and chosen filing frequency with the IRD.

What's included:

- Review your GST to make sure it is accurate.
- If bookkeeping is not included, minor adjustments and coding changes.
- Review and clean-up your [balance sheet](#), including minor adjustments.
- File your GST return with the IRD for the period in question.
- Inform you of any GST payment obligations for the period in question, including due dates and payment reference information.

What's not included, unless already agreed to in your package:

- Recurring reminders for you to reconcile your [Xero](#) file.
- Major changes in coding or re-coding of your transactions.

- Major rework of incorrect reconciliation.
- Major adjustments required to the balance sheet.

Phone and Email Support with your Accountant

Description of service:

The ability to reach out and seek clarification or ask questions from time to time of your Accountant via phone or email.

What's included:

- Answering your questions by email/phone to discuss accounting and business matters as aligned with our fair use policy.
- Your Accountant, Bookkeeper and/or Business Partner contacting you to discuss business matters.

Phone and email support fair use policy:

Our provision of unlimited phone and email support is based on normal, reasonable use. If we experience what we deem as unreasonable or out of the ordinary use, we will talk with you to determine how best we might support you going forward. This may include reviewing your package to include additional support.

What's not included, unless already agreed to in your package:

- Additional work or research leading up to and following the call/email.
- Calls that last more than 30 minutes.

Individual Tax Return

Description of service:

The preparation of your individual income tax return aligned with the IRD legislative requirements.

What's included:

- Preparation of your individual [tax return](#) using data from your accounting software, [MyIR](#) and information provided by yourself.
- Filing your income tax return with the IRD for the relevant period.

What's not included, unless already agreed to in your package:

- Completion of any specialised forms that are not part of a routine income tax return (e.g. [WFF](#) calculations, [donation rebates](#), [bright-line](#) property sale).
- Analysis of your investment portfolios for tax calculations.
- Any kind of tax planning, including the setup of your payment arrangements.
- Dealing with the IRD on your behalf, for matters regarding late filings that were filed late, through no fault of RightWay.



Provisional Tax

Description of service:

Advising you on your income tax obligations at every provisional and terminal tax date prior to your due date. Advice is based on both IRD expectations and current profit levels in your Xero file, which are subject to change based on your business's profit.

What's included:

- Review your [provisional tax](#) payment obligations for the entity, for the period in question, with IRD.
- Calculate your provisional tax, based on your current data in your accounting software.
- Liaise with you regarding the appropriate payment amount, based on your position at the time in question.

What's not included, unless already agreed to in your package:

- Reconciling data on your behalf to ensure an accurate financial position.
- Dealing with the IRD on your behalf for matters regarding late payments, including setting up any payment arrangements.
- Organising your payments to be made through tax intermediaries, such as [TMNZ](#).

Accounting Income Method (AIM) Returns

Description of service:

The [accounting income method \(AIM\)](#) is available to individuals and companies with a yearly turnover under \$5 million. Using AIM will suit your business if:

- your business is growing.
- you're new to business.
- your income has reduced significantly since last year and it is hard to estimate.
- you have irregular or seasonal income.
- it's hard to forecast your income accurately.
- you have accounting software or want to start using accounting software.

Using AIM, you'll only pay provisional tax when your business makes a profit. If you make your payments in full and on time, IRD will not charge you use of money interest. IRD allows you to sign up to use AIM at any time during the year.

What's included:

- Calculate your taxable profits based on the current data in your accounting software, allowing for distributions to shareholders as appropriate.
- Review the AIM tax payments you have already made to IRD for the financial year.
- File your AIM return with IRD.
- Liaise with you regarding your AIM payment amount based on your position for the filing period.

What's not included, unless already agreed to in your package:

- Reconciling data on your behalf to ensure an accurate position.

- Dealing with the IRD on your behalf for matters regarding late payments, including setting up a payment arrangement.

Fringe Benefit Tax (FBT) Returns

Description of service:

Fringe benefit tax (FBT) is a tax payable when the following benefits are supplied to the employees or shareholder-employees:

- motor vehicles available for private use.
- low interest/interest free loans.
- free, subsidised or discounted goods and services.
- employer contributions to sick, accident or death benefit funds, superannuation schemes and specified insurance policies (excluding employer contributions to superannuation schemes liable for ESCT (formerly SSCWT)).
- unclassified fringe benefits.

What's included:

- Calculating your FBT based on expenses identified in your Xero file and information passed on by yourself.
- Filing your FBT return as required with IRD (quarterly or annually).

What's not included, unless already agreed to in your package:

- Reconciling data on your behalf to ensure an accurate position.
- Dealing with the IRD on your behalf for matters regarding late payments, including setting up a payment arrangement.

Dividend

Description of service:

A dividend is an allocation of after-tax profits to its shareholders. RightWay will advise you on an appropriate time to declare a dividend and the impacts it may have on your shareholder current account, cashflow and overall business position. This service involves the preparation of all documents associated with the dividend and filing with the IRD.

What's included:

- Calculating your dividend based on your financial data for the period in question, including calculating any company tax credits available.
- Preparation of your dividend documentation including associated minutes.
- Filing your DWT return with IRD for the period in question.

What's not included, unless already agreed to in your package:

- Reconciliation of any historical imputation credit variances prior to you becoming a RightWay client.



Business Advisory

Meetings with Business Partner

Description of service:

Facilitated by our national team of business advisors, who we call Business Partners, our business advisory sessions are guided by where you are currently, and are focussed on getting you to where you want to be. Sessions include a breakdown of key steps to help you achieve your goals and aspirations for your business, optimising your business for whatever success means to you.

What's included:

- Online and face to face (where possible) meetings with your Business Partner, based on what is agreed in your package.
- Individual support and accountability on what you are working towards.
- A review of your business financials.
- Support to access externally available assistance, be it financial support or in another form.
- Advice regarding best practice systems to consider putting in place.
- Support to overcome environmental conditions outside of your control.
- Considerations on how to optimise/adapt your business to perform.
- Follow up email post meeting which includes key ideas/tasks to focus on before the next meeting.

What's not included, unless already agreed to in your package:

- Specialised tax advice for you personally, your business, related entities, or potential entities to be set up.
- Specialised structuring advice for you personally, your business, related entities, or potential entities to be set up.

Business Health Check

Description of service:

A highly practical and productive business review. In this session we look to pinpoint key business-related issues, so minor issues can be addressed with you, before they lead to bigger problems. We also investigate opportunities to further optimise your business for success.

What's included:

- A growth and profit diagnostic assessment to be completed prior to the meeting.
- A life balance diagnostic assessment to be completed prior to the meeting.
- One meeting, online or face to face if possible, lasting between 1hr to 1.5hrs to discuss your results and discuss key optimisation points.
- A 5 Brutal Facts analysis to identify what is holding you back from growing and improving your business.

What's not included, unless already agreed to in your package:

- Additional meetings.
- Financial reporting.
- Specialised tax advice for you personally, your business, related entities, or potential entities to be set up.
- Specialised structuring advice for you personally, your business, related entities, or potential entities to be set up.

Next Steps:

Following the completion of your business health check we will make plans to work on the following, on a priority scale based on where your business is at:

- SWOT Analysis (Strengths, Work On's, Opportunities, Treats).
- 12-month business plan.

Business Planning and Strategy

Description of service:

A highly practical and productive half day session that will assist you in setting up your strategic business plan. This session aims to provide you with a plan on paper and clear action points to ensure all divisions, teams and leaders are aligned with a common vision and strategy to move forward with.

We suggest reviewing and refreshing this plan each financial year as a minimum, or as the business enters a new market or begins offering a new product/service.

What's included:

- One half day business planning and strategy session, with the outcome being a completed plan on a paper for you to monitor, test and amend.
- Assistance in setting your business goals for the next 12, 24, or 36 months.
- A review of your target market.
- A review of your current customer experience.
- Market analysis of your product/service, your industry & your competition.
- Assistance to create a strategic plan to best manage your people/team either currently or as you recruit.
- A review of the financial setup of your businesses to ensure the banking and financial institutions you are working with are fit for purpose.
- A review of the governance support your businesses currently has in place to ensure the institutions you are working with are fit for purpose. For example, lawyers, trusted advisors, HR advisors etc.

What's not included, unless already agreed to in your package:

- Additional meetings including sessions to review or refresh your plan.
- Financial reporting.
- Specialised tax advice for you personally, your business, related entities, or potential entities to be set up.
- Specialised structuring advice for you personally, your business, related entities, or potential entities to be set up.



Budgeting, Forecasting and Key Assumptions

Description of service:

A highly practical, and productive session that aims to help you in setting a strategic budget for your business, to help you plan for your future income tax liabilities, prepare for growth in your people/product/service lines, and give you a handle on when you will have [cashflow](#) pressures.

Incorporated with a robust budget and cashflow forecast are the key assumptions behind your numbers, which if funding is required, puts all the information in one place for your financier to review.

What's included:

- Initial meeting lasting between 1hr to 1.5hrs to review your current position, your intentions for the coming financial year and where your “numbers” will change.
- A draft [profit and loss \(P&L\)](#) statement will be presented for you to review and provide commentary on.
- Implementation of changes to your profit and loss statement, post your feedback.
- Creation of a cashflow forecast to match your forecasted profit and loss. Up to three scenarios can be forecasted if required.
- Completed [key assumptions](#), ready to be presented to a bank if needed. The key assumptions that go into building your forecast are the overarching “guide” to how the numbers were put together and the key metrics behind them.
- If you receive monthly or quarterly reporting from RightWay, this forecast will be incorporated into the reporting so you can clearly monitor how you are tracking.

What's not included, unless already agreed in your package:

- Xero reconciliation and clean up.
- More than 3 assumptions.
- Additional meetings required to complete the forecast.
- Ongoing reporting.
- Meetings with any third parties. For example, a bank, to go over your forecast.
- Specialised tax advice for you personally, your business, related entities, or potential entities to be set up.
- Specialised structuring advice for you personally, your business, related entities, or potential entities to be set up.

Management Reporting

Description of services:

Reports prepared on a periodic basis as outlined in your proposal. These reports are up to date and customised for your business based on your goals, key metrics and areas that are being monitored. This may include budget vs actuals if we have been engaged to complete a budget. Some examples of the reports that may be included are:

- business health check.
- profit and loss statement.
- balance sheet.
- cashflow.
- KPI graphs including key customers and/or suppliers.

What's included:

- Initial template customisation for the reports.
- Minor adjustments and coding changes.
- Review and clean-up of the balance sheet, including minor adjustments.
- Preparation of reports based on the period agreed to in your engagement.
- A detailed overview of where your business is currently at.

What's not included, unless already agreed to in your package:

- Major recoding of transactions or corrections due to bookkeeping errors.
- Multiple attempts at contacting you for information relevant to the management report completion.
- Additional changes to customisation of templates.
- Providing reports to third parties including financial providers and liaising with them.
- Importing a budget prepared outside of RightWay.
- Importing non-financial data.
- Additional management reports requested outside of your periodic cycle.
- Follow up advisory support based on the results of the management report.

Assistance with Bank Finance and Restructuring

Description of service:

Your Business Partner will attend 1-2 bank meetings with you, to provide the necessary insights and financial information the Banker is seeking. Ensuring that if the answer is a “no” to funding right now, that the necessary steps to change this outcome going forward are understood, so that changes can be implemented.

A relationship between the Relationship Manager at your bank/finance institute, your Accountant and your Business Partner leads to better outcomes for you as a business owner.

What's included:

- Your Business Partner attending a maximum of two bank meetings with you, either online or in person depending on what is practical, to provide the necessary insights and financial information to the Banker.

What's not included, unless already agreed to in your package:

- Specialised tax advice for you personally, your business, related entities, or potential entities to be set up.
- Specialised structuring advice for you personally, your business, related entities, or potential entities to be set up.
- [Indicative business valuations](#) required for indicative business value or share sale to another party.
- Preparation for sale documentation that will be provided to a broker or potential purchaser to support a sale. For example, an indicative business valuation, a [proforma statement](#) of position or any business background/client history documentation.
- Any third-party support or advice to assist with business decisions whereby RightWay does not have the inhouse expertise to provide the answer/s. You will be advised if we need to seek third-party support or advice prior to us engaging a partner firm to assist.



Phone and Email Support with your Business Partner

Description of service:

The ability to reach out and seek clarification or ask questions from time to time of your Business Partner via phone or email.

What's included:

- Answering quick directional questions, you have in business via phone or email, along with any personal support required.
- Your Business Partner contacting you to discuss business matters.

Phone and email support fair use policy:

Our provision of unlimited phone and email support is based on normal, reasonable use. If we experience what we deem as unreasonable or out of the ordinary use, we will talk with you to determine how best we might support you going forward. This may include reviewing your package to include additional support.

What's not included, unless already agreed to in your package:

- Accounting queries relating to your GST, PAYE, or annual accounts - these should be directed to your RightWay accountant.
- Specialist tax, structuring or HR advice/support.
- Additional work or research leading up to and following the call/email.
- Calls lasting longer than 30 minutes – whether related to your business or of a personal matter.

Bookkeeping

Bank Reconciling (Accrual)

Description of service:

Accrual bank [reconciling](#) means your business is utilising one or more modules for processing, accounts receivable, accounts payable, and expenses. To reconcile your bank accounts, we will ensure we process receipts or payments against the correct transaction recorded in these modules. For transactions related to modules you are not using, we will effectively [code](#) directly from the cash transaction. We will ensure bank rules are set up, maintained, and corrected where necessary and every transaction is coded to the correct place for your business.

What's included:

- Matching your business bank & credit card transactions to the respective sales & purchase invoices.
- Reconciling the agreed number of accounts & transactions by the agreed timeframe.

What's not included, unless already agreed to in your package:

- Entering your suppliers' invoices, reconciling to statements, or paying suppliers.
- Entering your sales invoices and/or collecting receivables, issuing customer statements.
- Reclassifying your transactions at entry source and/or from previously closed periods.
- Preparing your employee [expense reports](#).

Bank Reconciling (Cash)

Description of service:

Cash bank reconciling means your business is coding all transactions directly from the bank(s) statement. RightWay will ensure bank rules are set up, maintained and corrected where necessary and every transaction is coded to the correct place for your business.

What's included:

- Direct coding of your business transactions from the business's bank and/or credit card statements.
- Reconciling the agreed number of accounts & transactions by the agreed timeframe.

What's not included, unless already agreed to in your package:

- Entering your supplier invoices, reconciling to statements or paying suppliers.
- Entering your sales invoices and/or collecting [receivables](#), issuing customer statements.
- Using source documentation to code transactions.
- Re-coding your transactions at entry source and/or from previously closed periods.
- Preparing your employee expense reports.



Payroll Services

Description of service:

Utilising your payroll software to ensure all your employees are paid and your IRD compliance obligations, relating to being an employer, are met.

What's included:

- Co-ordinating and processing your payroll, with data provided by management, using the specified software, for the specified number of employees.
- Adding your employees to the payroll system using our templates and forms.
- Processing your records of employment.
- On-going support for questions that employees may have regarding their pay.

What's not included, unless already agreed to in your package:

- Calculating your employee bonuses.
- Managing your expense reports.
- Tracking your employee/s hours.
- Tracking or managing your employee/s annual leave, sick days, or public holiday entitlements.
- Coordinating any issues relating to payroll with the appropriate authorities for periods in which we have not processed payroll ourselves or for which we have not been mandated for.
- HR related issues or services.

Accounts Payable (Bill Payment services)

Description of service:

Utilising the accounts payable modules of Xero to correctly capture costs and record bills owed to suppliers.

What's included:

- Loading and coding the specified number of bills, per period, using our recommended bill payment software.
- Setting up your new suppliers in the system when required.
- Reconciling to supplier statements to ensure all your invoices have been received and processed.
- Creating a payment batch in Xero, as instructed by management, for importing/exporting to your banking software.
- Monitoring your payable due dates to ensure your payments are not made late.

What's not included, unless already agreed to in your package:

- Approving bills for payment (to be done by management).
- Communicating directly with suppliers.
- Forecasting of payments due for cashflow purposes.

Accounts Receivable (Customer invoicing services)

Description of service:

Utilising the accounts receivable module of Xero to correctly capture revenue and record invoices owed to you by your customers.

What's included:

- Set up and maintenance of your customer invoice & statement templates.
- Set up and maintenance of your invoice reminder templates.

What's not included, unless already agreed to in your package:

- Creating quotes and/or customer invoices.
- Debt collection.
- Correction of any customer or ledger errors created by app integration and/or set up.



Glossary of terms

[Accounting Glossary | Xero NZ](#)

Financial Statements

Written records that convey the business activities and the financial performance of a company.

Subvention Payments

Payments by a profit company to a loss company.

Reconciliation

An accounting process that compares two sets of records to check that figures are correct and in agreement. Reconciliation also confirms that accounts in the general ledger are consistent, accurate, and complete.

GST - Goods and Services Tax

A tax that is added to the price of most goods and services, including imports. It is a tax for people who buy and sell goods and services.

PAYE - Pay As You Earn

Employees earning a wage or salary are taxed directly from their pay. This is known as PAYE.

Income Tax

A type of tax that governments impose on income generated by businesses and individuals within their jurisdiction. Income tax is used to fund public services, pay government obligations, and provide goods for citizens.

Audit

The examination or inspection of various books of accounts by an auditor followed by physical checking of inventory to make sure that all departments are following a documented system of recording transactions. It is done to ascertain the accuracy of financial statements provided by the organisation.

Balance Sheet

A statement of a business's assets, liabilities, and owner's equity as of any given date.

Xero

A cloud-based accounting software product.

Tax Return

A form on which a taxpayer makes an annual statement of income and personal circumstances, used by the tax authorities to assess liability for tax.

MyIR

Inland Revenue's secure online services facility.

WFF

Working For Families – A tax credit payment for families.

Donation Rebates

You can claim 33.33 cents for every dollar you donated to charities and organisations on the approved donee list. [Tax credits for donations \(ird.govt.nz\)](#)

Bright Line

If you sell a residential property you have owned for less than 10 years you may have to pay income tax on any gain on the sale. This is the bright-line property rule. This rule also applies to New Zealand tax residents who buy overseas residential properties.

Provisional Tax

Provisional tax helps you manage your income tax. You pay it in instalments during the year instead of a lump sum at the end of the year.

TMNZ

A New Zealand based, IRD approved, tax pooling provider.

AIM - Accounting Income Method

A way to calculate provisional tax if you use accounting software and have turnover of less than \$5 million.

FBT - Fringe Benefit Tax

A tax that employers pay on benefits paid to an employee (or their associate, such as a family member) in addition to their salary or wages. For example health insurance that is paid for by the employer on behalf of the employee.

ESCT - Employer Superannuation Contribution Tax

A tax that is deducted from your employer contributions to your employees' KiwiSaver or complying funds. Complying funds are superannuation schemes with similar rules to KiwiSaver. For example, members' savings are locked in until they're eligible for NZ Superannuation.

SSCWT - Specified Superannuation Contribution Withholding Tax.

A tax on any monetary contribution to a superannuation fund that is paid by the employer for an employee's benefit.

Dividend

The distribution of a company's earnings to its shareholders.

DWT - Dividend Withholding Tax

A tax that is deducted from dividend income, before the investor receives it. IRD requires dividends to have 33% tax credits attached, so tax is already paid throughout the year for most taxpayers. When a company declares a dividend, DWT is the top-up amount paid to the IRD, after imputation credits are allowed for, and is usually 5% of the total dividend.

Imputation Credit

Imputation is a system that allows companies to pass on the benefit of the New Zealand income tax, they have already paid to their shareholders. Companies can do this by "imputing" (attaching to the dividends they pay out) credits for the income tax the company has already paid.

Imputation Credit Account

An account used to keep track of how much tax a company has paid and how much tax they've passed on to shareholders or had refunded to them.

Cashflow

The amount of cash that comes in and goes out of a company. Businesses take in money from sales as revenues and spend money on expenses.

P&L - Profit and Loss Statement

Profit and loss statements, also called P&L or income statements, show all earnings and all costs over a time period, e.g. a quarter or a year.

Key Assumptions

Every business plan is filled with key assumptions. Key assumptions are the most important who, what, when and how you need to run your business.

Indicative Business Valuation

Approximate range for your business and/or share value.

Proforma Statement

Estimating future values based on current data or assumptions about future values to predict performance over a period that hasn't yet occurred.

Expense Report

An expense report contains a categorized and itemized list of expenses that were made on behalf of the organization. This report helps the employer or finance team determine what money was spent, what was purchased, and how much of the expenditure is approved for reimbursement.

Coding

Coding in accounting is the process of assigning numbers or letters to data to create a fast-search database.

Reconciling

Reconciliation is a process that compares two sets of records to check that figures are correct and in agreement.

Receivables

Amounts owed to a business, regarded as assets.

