



SMSF Alliance
More than just SMSFs

SMSF Alliance

Users Guide

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433 Logan Road, Stones Corner QLD 4120

Phone 1300 809 933

Email customer@smsfalliance.com.au

This document is for the exclusive use of our Alliance Partners

Document Updated 12/01/2021

Welcome

We are personally committed to your business success. Incorporated in 2010, we are large enough to provide advanced resources but small enough to maintain a personal approach. Our team members are all on shore, well trained and dedicated towards enhancing your business. As we are exclusively a wholesale service our clients are SMSF advisers, not direct trustees.

We have developed a unique SMSF Toolbox which produces a broad, but targeted, array of SMSF opportunities and alerts for you to consider. We trust you will find it of use to not only assist in adding value to your client base and your business, but also to decrease your compliance risk.

This guide is intended to assist both our businesses to interact more efficiently. We hope you find it of use.

Primary Services

SMSF Administration, Compliance & Tax

We provide the full range of SMSF administration, tax and compliance functions. Our focus on strategic administration, combined with our SMSF Toolbox, provides you with an additional surveillance service to assist in identifying strategic risks and opportunities. This is a major difference between us and other administration services.

We have 3 standard pricing options that are reliant on the way we receive data. Our full pricing schedule is included in our Fee Schedule.

General Taxation Services

We provide general, non-business taxation services for advisers. Our charge for a personal return is from \$360. We also provide taxation services for any investment entity. Business taxation services are also available.

This, non-super, service is provided by a panel of external accountants. Details are available on request.

Documentation

An extensive range of superannuation and non-superannuation documentation is available ranging from our SMSF deed to a broad range of trusts and companies.

Other Services

SMSF Deed Reviews

As part of our strategic administration approach we review each deed when we receive an existing fund onto our service. If you have any immediate concerns about a client's deed we will undertake a review on request. There is no charge for this service.

Death Benefit Nominations

As part of our strategic administration approach we review each death benefit nomination. This includes ensuring they are in accordance with the deed and have otherwise been validly completed and executed. Where it seems that blended family issues may be involved, we may also suggest additional measures to strengthen the nomination. There is no charge for this service.

Seminar Support

We are available to address seminars for your team or client event subject to availability and the covering of our travel costs.

QROPS Support

We maintain expertise in the establishment and administration of SMSFs approved for UK Pension fund rollovers. Please direct your enquiries to Debbie Thomas.

Technical Assistance

As an Alliance Partner you have access to our Technical Team of David Busoli and Debbie Thomas. If you have an enquiry, please email customercare@smsfalliance.com.au, call our team on 1300 809 933 or phone David directly on 0499 778 584. We are not licensed to provide specific advice and so provide this resource exclusively to assist you to better service your clients.

Super Snippets

Our newsletter is brief and to the point. It focuses on a broad range of SMSF and administration issues. If you have not already advised us to subscribe your team members you may do so at <https://www.smsfalliance.com.au/news/>

The Alliance Group

Members of the Alliance Group will receive internal notifications about company and service updates as well as exclusive strategic tips.

Membership of this group is generally limited to alliance partners, potential alliance partners and support team members. There is no automatic subscription function. If you would like to add a member please email customercare@smsfalliance.com.au with the person's name, email address and company. Simply place Alliance Group Membership in the subject line. Where the person is obviously associated with an existing group member they will be accepted. Where this is not the case, we will call you for further clarification.

Please note that Members will also receive our Super Snippets newsletter. Unsubscribing from Super Snippets will automatically remove you from the Alliance Group database.

Mail House

Our preference is to act as the mail house for fund investments as this is the most efficient means by which we receive investment information in a form that is both suitable for our data processing and evidentiary for the fund auditor. It is also useful to some advisers whose dealer groups do not allow them to be their clients' postal address. We onforward all offers and other matters requiring attention to your nominated contact on the day of receipt. There is no charge for this service but, for it to operate effectively, you must nominate our postal address, PO Box 978, Coorparoo QLD 4151, and/or our email address, customercare@smsfalliance.com.au, as the investment contact point when establishing or updating investment records.

You may opt out of this service and provide us with the information we require from your office if you wish.

Collecting Your Fees

We can collect your fees for you provided your client accounts are with Macquarie Bank and you supply us with the amounts in a completed CSV file suitable for our use. Subject only to delays in electronic processing time, we will transfer your fees to you on the day we receive them. We do not charge for this service.

Birthday Alerts

We email your designated contact 3 warnings for the birthdays for each member;

1. 28 days out - To alert you to the upcoming birthday in case it requires a meeting beforehand. There are specific warnings for birthdays that have SIS or tax ramifications.
2. 7 days out - To give you time to post a card if you wish.
3. On the day – To prompt you to call.

Client Referrals

Our services are not available to direct clients though we do, from time to time, receive enquiries from them. On such occasions we provide them with access to one of our alliance partners on a no obligation basis. We seek to make such introductions on a geographic basis if possible.

Tool Box

A Guide to the SMSF Toolbox is available for the Toolbox itself. It is recommended you refer to it as the following information is a brief summary only.

Strategy Matters

A range of articles about various SMSF matters has been prepared for education purposes and for you to cut and paste into your client correspondence as you see fit.

Calculators

Our calculators are limited to those that are not usually available from other similar service providers. They produce a report in word format for you to incorporate into strategy documents if you wish. They cover future service benefit deductions, untaxed elements and increases in the tax-exempt component of TPD rollovers.

Investment Strategy Tool

Our investment strategy tool provides you with a compliant document for SIS purposes that includes life insurance, collectables, derivatives, segregation, reserves, gearing and even bitcoin.

All reports are provided in Word, so you may edit them as you please.

File Storage

All fund documents are stored in a secure, dedicated folder which is available via our portal. For ease of access they are ordered by fund name and financial year. Permanent documents, such as deeds and death benefit nominations, are in a separate sub-folder.

Opportunities and Alerts

A range of over 20 targeted opportunities and alerts is presented to you as a result of our analysis of your client data. Associated information is also provided so you may determine their worth. For greater detail please refer to the SMSF Toolbox Guide.

Working with Us

Adviser Registration Process

All new advisers should register their details at <https://www.smsfalliance.com.au/resources/forms/new-adviser-registration/> to assist us to establish your profile on our systems.

You will need to consider if:

- you are amenable to your clients receiving and signing electronic documents or if you require them to be in paper form,
- If you would like all contact to be between ourselves and your office (our default position) or if you would like us to correspond directly with your clients except for investment or advice matters and
- If you would like us to debit our fees directly from your client accounts (our default position) or if you would like us to bill you on a 7-day term basis each month.

Once your first fund application or transfer commences you will be provided with access to our Resources section. This will allow you to access our Calculators, Strategic Matters and Legal References. You will not have access to your Fund Details section or Fund Dashboard as these sections are not available until a fund is fully established on our systems. When this occurs, you will receive a notification. You may also receive a request for additional information if some establishment items remain unresolved.

Contact Details

General

Office Address: 433 Logan Road, Stones Corner QLD 4120
Postal Address: PO Box 978, Coorparoo QLD 4151
Phone: 1300 809 933
Fax: 07 3319 6434
Email: customercare@smsfalliance.com.au (See Below)

Practice Principal

David Busoli
Phone: 0499 778 584
Email: dbusoli@smsfalliance.com.au

General Manager

Emma Walker
Phone: 1300 809 933
Email: ewalker@smsfalliance.com.au

Head of Technical & Strategic Alliances

Debbie Thomas
Phone: 1300 809 933
Email: dthomas@smsfalliance.com.au

Ongoing Communication

Though you may use phone or emails it is preferable if you use our dedicated query management system available from our portal. This ensures a speedy and comprehensive solution to matters raised.

When the portal is not being utilised our preferred email address for general correspondence is customercare@smsfalliance.com.au.

Our Requests for Information

We need to be able to provide supporting evidence for every transaction to the fund auditor. In most instances, transactions can be resolved by information we have received by way of a data feed or acting as the mail house for the fund. Where manual transactions occur, you will need to provide this information to us. It is generally not sufficient for you to do so via a phone call or email without documentary evidence. Please ensure you provide this as the transaction will continue to be unmatched until it is received. We also need all the documentation surrounding the purchase of a non-standard investment such as property, limited recourse borrowing arrangements, related and unrelated (unlisted) entities and collectables.

Uploading Documents, Files, etc.

Electronic files may be provided to us in several ways. Via our portal you may;

- drag and drop documents for multiple funds into our bulk upload facility
- attach documents to an upload for a specific fund or
- attach documents and explanations to specific unmatched fund items.

Online Forms

Our online forms are designed to make it easier for you to access our services. If you are unable to submit a form but wish to retain the information you have entered to date, you will receive an access code that will allow you to retrieve the saved form. This code will expire after 30 days.

Fee Payment Arrangements

Establishing a New Fund or Other Documentation Work

Credit card facilities are provided to pay for documentation orders at the time of ordering. For ongoing administration clients, you may opt for the fund account to be debited when funds become available. This option is not available for QROPS funds because of the significant length of time between establishment and receipt of monies. Where credit card payments have been made, the amount may be reimbursed from the Fund or, subject to eligibility, processed as a deemed contribution.

Ongoing Administration Clients

We charge our yearly SMSF administration fees monthly. Ancillary fees are billed either when they are incurred or when the end of year financials are completed. Fee details are available from our Fee Schedule.

Payment Options

Our monthly fees fall due on the 1st of each month commencing from the month on which the fund records are established on our systems. Our default position is that we debit each Fund's cash account as close as possible to that date. You may prefer us to send you a monthly account instead. Under this arrangement you would be responsible for making payment to us on behalf of your clients within 7 days.

Payment of Fund Expenses

Where we have a suitable fee authority in place, we will pay fund expenses that are limited to fees we've raised, ASIC, the auditor and/or the actuary.

On instruction we can pay other fees and taxes, where you provide us with specific instructions each time a payment is required. This is only possible if the fund has a Macquarie account.

We will not transfer amounts to settle investment transactions.

Service Provider Modifications

Choice of Actuary

We have a panel of actuaries that have established process and data access protocols to enhance speed and efficiencies. We will levy a fee of \$150 per fund where an alternative actuary is required.

Choice of Tax Agent

We are the default tax agent for all funds. If an alternative tax agent is required, this may be accommodated however there will be no decrease in cost as the generation of the tax returns is a negligible job once the financials have been completed.

Please note that, where we are not the tax agent for the fund, we will not be able to access the tax portal so will need to request information from the fund tax agent from time to time.

Choice of Auditor

We maintain a panel of auditors that have established process and data access protocols to enhance speed and efficiencies. We will levy a fee of \$220 per fund where an alternative auditor is required. The only exception to this is where we have acquired the administration function from an accounting firm and that accounting firm wishes to retain the audit function.

In any case we will require the auditor to accept automated protocols. We will not provide paper files.

Direct Real Estate

Administering direct real estate can be a challenge if proper communication is not established at the outset. We need all acquisition records including contracts of sale, trust account statements and borrowing documentation if applicable. The contract should indicate if the property is a going concern and a determination as to GST registration for the fund must be made. We also require a copy of the lease. The trustees should ensure that the rental arrangements, as per the lease, are followed. This is particularly important if related parties are the tenants.

Ongoing, the simplest alternative is for a real estate agent to be appointed and given authority to pay all outgoing from rental monies. A monthly statement, with supporting evidence, can then be produced with a copy sent to us.

Where the trustees are directly involved in the property's financial transactions one of the following should be adopted;

- If we are the mailing address for all transactions, we will email anything that requires attention or payment to a designated contact point – your office or the client – on the day of receipt. The trustees will make whatever payments are required from the SMSF cash account and we will match them against the documentation we already have.

- If the trustees receive all documentation before we do, they should make any payments required then upload all documentation and expense details directly to us. It is important that all expenses are paid from the fund and not from Trustee personal accounts. Trustees must not deduct a service fee for their efforts.

Life Insurance

The presence of life cover provides both the opportunity for a future service benefit deduction and the potential danger of creating an untaxed element. These are strategy issues that are considered in the Toolbox but, to enhance eligibility for a future service deduction, all premiums should be paid monthly. The policy must also be held in the name of the SMSF trustees. It must never be a stand-alone superannuation policy with a different trustee to that of the SMSF.

Pension Administration

To maximise a member's transfer balance account usage we provide you with access to a pension commutation instruction which directs us, on a permanent basis, to process any benefit payments over the minimum as;

1. A withdrawal from the unrestricted non-preserved component of any accumulation account if available then
2. As a commutation from a pension account with the largest taxable component then
3. From any other pension account.

Where a pension commutation has occurred, we will lodge the necessary TBAR. We will generally lodge TBARs monthly, irrespective of whether the fund is a quarterly or annual lodger and irrespective of the type of commutation.

Registered Office

If we act as the registered office for a corporate trustee (\$110 p.a.) we will also attend to all regulatory activities including changes to shareholders and directors and payment of ASIC fees - which we will debit from the fund's account.

Electronic Signatures

Our preference is for your clients to use electronic signatures to sign off financials and tax returns. If you aren't familiar with this service, please discuss it with us as its speed and efficiency is significant. If you would prefer us to provide returns for manual signing, we shall do so but it would be appreciated if you let us know in advance which option we are to use for some, or all, of your clients. Electronic signatures for fund financials are mandatory for funds on Silver pricing.

Please note that some documents, such as bank forms and trust deeds, cannot be signed electronically and will have to be dealt with in hard copy.

Client Contact

All communication and correspondence from us is to your office. It is your responsibility to liaise with your clients and our office but, should you wish, we will correspond with your clients directly for some matters which do not involve advice. You can elect that:

1. We have no contact with your clients. This means that all correspondence and queries are between your office and us.
2. We correspond directly with your clients for queries regarding signatures, financials and current year unmatched items only. Under this arrangement we will still request clarification on unmatched items from you first.
3. At your request we can provide your client with a cut down version of our portal. This Link option facilitates communication between ourselves and your client but via you. Details are available on request.

Data Feeds

To activate data feeds for bank accounts, wrap platforms or broker accounts on our system, it is vital that we are informed of the new account at the time it is established. We will need to review the product type and determine if a data feed is available. If so, using the account details you have provided, we will forward you the instructions or authorities required to activate the data feed. We may require an additional authorisation to access specific detail not available in the data feed as well.

It is vital that close attention be paid to this process to both avoid manual processing fees and ensure that the most recent data is available for the fund records. We would appreciate the prompt return of authorities as back filling of data is not often available, so any unnecessary delay will increase the manual attention required.

Complaints

If you are not satisfied with our performance and feel that an issue is not being resolved appropriately please raise the matter with our practice principal, David Busoli, at dbusoli@smsfalliance.com.au or 0499 778 584.

Managing Expectations

Clearing Unmatched Items

The accuracy of fund data depends on the efficient flow of information. Our administration systems, based on the popular Class administration platform, are continually improving however there are likely to be manual transactions that cannot, for various reasons, be electronically matched. Most commonly, ad hoc transactions occur which require some explanation for processing and documentary evidence for audit purposes. We try to match such items on an ongoing basis but, from time to time, will need your assistance. You may access each fund's unmatched items detail at any time and provide us with linked documentation if you wish. We may also seek your assistance for some items from time to time. If you have authorised your client to be a part of our Link option, they may provide answers themselves without any great, or no, effort on your part.

Currency of Online Data

There should be no unmatched data items if a fund's online reporting is to be regarded as accurate. You may check these on a fund by fund basis or by checking all unmatched items across all your funds via our dashboard.

In any case, the online data available on our site, or any other similar site, cannot be guaranteed to reflect the most up to date position of the fund at any given moment. This is because our administration software is not the primary source for the transaction, it is merely a recipient of the evidence of the transaction from other primary systems such as banks, stock brokers, etc. This may delay the receipt of data by several days or more. Some data is received from secondary sources, such as wraps and other investment consolidation platforms that are, themselves, subject to a delay in receipt of data.

If you are providing online access to your clients, they must be aware, and accepting of, this limitation.

In any case, any online member data can only be approximately accurate until a "period update" is activated. This distributes, and locks in, tax credits and returns across members at a given point in time. Until this routine is run, allocations of income and growth to member accounts is fluid and may be changed by a retrospective entry. All funds are locked for the 30 June accounts.

Processing Pension Commutations or Lump Sum Drawdowns

We run a period update routine whenever we process this type of transaction. It requires the matching of any unmatched transactions and the resolution of material, outstanding queries.

Responding to Phone Queries

We will respond to your phone queries as soon as possible but strongly recommend that you use our portal to ensure prompt attention.

Our Portal Communication

Our communication portal is designed to enhance the visibility of your queries within our team environment. This allows us to carefully monitor response times and enables other team members to provide responses in periods of heavy workload. This ensures your queries are dealt with promptly.

Responding to Complaints about You

Our primary goal is to support your business so, should we receive direct contact from a trustee complaining about your service, we will attempt to diffuse the situation and will advise you of the details. Please note that we cannot refuse to supply fund information to a trustee that they could access online if they were granted web access. Neither can we refuse to supply similar information to another adviser who presents us with a valid request for information from your client, though we will advise you of the contact.

If your client directs us to deal directly with them, to the exclusion of yourself or an alternative adviser, we will cease to provide administration services for their fund. If the client nominates an alternative adviser, we may accept the new adviser as an Alliance Partner however, in either case, we will ask for your input.

Reports for Your Client Meetings

You may request us to check that a fund is completely up to date prior to your meeting with a client. Before doing so, please check that there are no unmatched items outstanding for the fund. If there are, we will need your assistance to clear these before the records can be correct. Alternatively, you may regard them as being immaterial for the purposes of your meeting. Please give us at least 48 hours' notice, or more if possible. Please note that attendance to the clearing of unmatched items on an ongoing basis will make urgent requests much more achievable.

Acknowledging Receipt of Documentary Evidence

When you send us supporting documentation via our portal, you can see they have been received by us as you can see what we do.

Lodgment Time Frames

Each fund has a last lodgment date set by the ATO. The ATO extends these dates globally if they feel it's warranted, or extensions may be requested for individual funds. The dates that apply, where we are lodging the returns, are generally as follows;

- 31st October - Funds where one or more prior-year tax returns were outstanding as at last 30 June
- 28th February - New funds lodging their first return
- 31st March - Funds with total income more than \$2 million in latest year
- 15th May - The rest

Our on-time lodgment record is consistently over 98%.

Even though we gather information on an ongoing basis and could, theoretically, commence the preparation of all returns on 1 July, we do not. This is not only because we may be waiting for investment tax reports that are not available until later in the year. It is also because we must spread our workload across the year. This means that some funds will be processed earlier than others.

The order in which we process funds is as follows;

1. Funds that you have requested as a priority. These will generally have large tax refunds or may be winding up.
2. Funds that are 31st October lodgers.
3. Funds that have members in receipt of CentreLink/Vets Affairs benefits. You should not assume we know which funds apply. Please provide us a list as early as possible.
4. February lodgers, March lodgers and funds with refunds due.
5. All other funds, except those that we have been advised to treat otherwise, will be processed as allocated.

Onboarding Process

Onboarding Process for New Funds

1. New fund orders are available at <https://www.smsfalliance.com.au/resources/forms/establishment-new-fund/>
2. Should we be administering the fund, payment can be delayed until cash has been received in the fund account. If the fund is a QROPS fund or if we are not intended to be the administrator, we require payment in advance. Credit card facilities are available. If payment is made in this way, the payer may be reimbursed from the fund when cash is available or, alternatively, the payment may be processed as a deemed contribution subject to eligibility.
3. We will apply for ATO Registrations and establish a bank account (if requested)
4. We will prepare the fund establishment packs and send them via post to your office for signing
5. An email will be sent to your office with all registration details
6. You will return all signed documents to us. We will place an electronic copy in the online fund file
7. Contributions and rollovers can begin, we request a minimum of \$2,000 be kept in the funds cash account

Onboarding Process for Existing Funds

Our onboarding process has been designed to minimise the input required from you and your clients so can be achieved in various ways to match your requirements.

Transfers on a Single Fund Basis

The steps are:

1. Complete a transition application via <https://www.smsfalliance.com.au/resources/forms/transfer-existing-smsf/>. This application will request login details for the client records with their current administrator if applicable.
2. We will email all documents that require trustee signatures to your office. These will include download authorities (if we are aware of the bank account/platform details), fee authorities and a notification to the previous administrator that their services are no longer required. We will also seek to obtain as much information as possible from the current administrator's online access if we have been provided with login details as above. It is important that the current administrator is not informed of the move during this process as they may block access.
3. Upon return of all signed documents to us we will contact the prior administrator, provide them with the termination of service letter, and request the fund documents.
4. The fund is then allocated to an SMSF Alliance accountant and the fund loading process proceeds.
5. Upon completion you will be emailed a transition email with information regarding the fund. At this time the fund details will be available for you (and your client if you have so instructed) online.
6. Ongoing processing will commence as will monthly billing which will include any catch-up billings if applicable.

Transfers of Multiple Funds Where the Current Administrator Provides Online Access

The steps are:

1. You will provide us with login details for the client records and we will source what we need to establish the fund on our systems. On occasion we may ask you for some clarification.
2. We will provide you with a copy of the establishment information we have for your perusal and approval.
3. We will email all documents that require trustee signatures to your office. These will include download authorities (if we are aware of the bank account/platform details), fee authorities and a notification to the previous administrator that their services are no longer required. It is important that the current administrator is not informed of the move during this process as they may block access.
4. Upon return of all signed documents to us we will contact the prior administrator, provide them with the termination of service letter, and request the fund documents.
5. The fund is then allocated to an SMSF Alliance accountant and the fund loading process proceeds.
6. Upon completion you will be emailed a transition email with information regarding the fund. At this time the fund details will be available for you (and your client if you have so instructed) online.
7. Ongoing processing will commence as will monthly billing which will include any catch-up billings if applicable

Transfers of Multiple Funds Where the Current Administrator Does Not Provide Online Access

The steps are:

1. We will need the most recently available fund tax return and financial statements
2. From these documents we will source sufficient basic information to create an account on our system. We will provide you with a copy of this information for your approval.
3. We will create and email all documents that require trustee signatures to your office. These will include download authorities (if we are aware of the bank account/platform details), fee authorities and a notification to the previous administrator that their services are no longer required.
4. Upon return of all signed documents to us we will contact the prior administrator, provide them with the termination of service letter, and request the fund documents which will include;
 - a. Prior year signed financials, income tax return and audit report
 - b. Prior year member statements (if not included in the financials)
 - c. Investment summary report (if not included in the financials)
 - d. Unrealised capital gains report (if using Class, Supermate, etc.) or detailed schedule of Fund assets (if using BGL)
 - e. Trial Balance and General Ledger as at 30 June
 - f. Details of their bank accounts & broker/wrap accounts
 - g. Signed Trust Deeds, ATO Trustee Declarations, Investment strategy, Pension documents etc.
 - h. Company Register if we are to be the ASIC Agent

If you or the trustees are already in possession of some, or all, of these documents, you may expedite the process by providing us with what you have.

5. The fund is then allocated to an SMSF Alliance accountant and the fund loading process proceeds.
6. Upon completion you will be emailed a transition email with information regarding the fund. At this time the fund details will be available for you (and your client if you have so instructed) online.
7. Ongoing processing will commence as will monthly billing which will include any catch-up billings if applicable