

FREQUENTLY ASKED QUESTIONS

When was Heffron established?

Heffron has been specialising in providing services to SMSF trustees since 1998.

Who are the key people in Heffron?

Heffron's CEO is Martin Heffron and the management team includes Meg Heffron, Jennifer Conn, Ben Smythe, Andrea Connor, Duane Pinches, Leigh Mansell and Rob Allan. For a comprehensive overview of the key people please go to www.heffron.com.au/about/people

What is Heffron's key point of difference?

Heffron's key point of difference is the depth and quality of the relationship that our clients experience when they deal with us. In particular, the behaviours of our staff in servicing our clients drive great personal experiences and sets us apart from our competitors.

We are not a "wholesale" service provider but rather a firm that looks to engage closely with our clients. Our team wants to be the best they can in their chosen profession and this will be reflected in the quality of service you receive.

Does Heffron service clients across Australia?

Yes Heffron is a national firm and the majority of communication with clients is handled electronically. There are no geographical impediments to working with Heffron.

What SMSF services does Heffron provide SMSF trustees?

Heffron is Australia's premium comprehensive SMSF service provider. Our key service for SMSF trustees is our fund administration service which includes:

- Establishment;
- Ongoing fund administration, accounting, taxation and compliance work;
- Facilitation of an annual audit by an external SMSF specialist auditor;
- Actuarial support; and
- Technical support.

We also arrange for any ongoing documentation requirements (eg documenting a borrowing arrangement, establishing a pension, putting in place an investment strategy, etc).

Our objective is to meet all of our clients' needs by continually enhancing and expanding our suite of services. We are your one-stop-shop SMSF service provider.

Do I need to use the Heffron trust deed if I use the fund administration service?

It is not mandatory nor compulsory to use the Heffron trust deed but is recommended as it allows for greater efficiencies when dealing with our fund administration team.

When we takeover an existing fund, we review your existing trust deed as a matter of course and will advise you if we believe any urgent changes are needed.

Do I need Heffron to act as the mailbox if I use the fund administration service?

It is not mandatory to use the mailbox service. Where we are not acting as the mailbox we will require details of the fund transactions to be sent to us regularly during the course of the year so we can continue to process these transactions.

How do I provide Heffron with details of my fund's transactions if I use the fund administration service?

Where we are not acting as the mailbox and the assets of the fund can provide electronic data feeds (eg ASX listed securities, cash accounts, etc), we will look to arrange for an electronic data feed of the fund transactions into our SMSF accounting system during the course of the year.

Where this is not possible (eg direct property holdings), we require the fund transactions to be sent to us regularly during the course of the year (either hard copy or soft copy), so we can continue to process these transactions.

Do I need to use a specific bank account for my fund where I am using the fund administration service?

It is not mandatory to use a specific bank account but the Macquarie cash managed account is the preferred cash account.

If the fund is using the Macquarie CMA product then we can arrange for electronic data feeds of the bank account transactions directly in to our SMSF accounting system and we can also arrange for any of the fund's tax payments to be automatically paid to the ATO as and when required.

Can I select my broker of choice for buying and selling shares?

Yes you have complete control over the choice of broker for any shares trades or any asset purchase. We will require details of all transactions to be provided to us (ideally electronically). The ownership of all assets remain in the name of the SMSF trustee.

How does the year-end lodgment process work?

Heffron acts as the tax agent for the fund and will arrange for the SMSF return to be completed and lodged with the ATO when we finalise the annual audited financial statements.

What technical support will Heffron provide to me?

We believe that the breadth and depth of our team's experience and expertise is second to none in the SMSF industry. As a client, you are able to tap into that experience and expertise in a way that best suits your needs.

For example as part of the routine service you receive as a fund administration client, your single point of contact in the fund administration team (who has at least 5 years SMSF administration experience) will promptly respond to your enquiries in relation to the fund's ongoing administration and compliance requirements and also assist you to understand the rules governing the operation of the SMSF.

If you require more specific personal advice in respect of your SMSF, you can access one of our technical consultants who can prepare written advice for you under our AFS licence after an initial face to face meeting. Please note that this does not extend to personal investment advice or financial planning advice and a separate invoice will be applicable where written advice is requested.

We also provide clients with access to various technical support tools such as our electronic newsletter Heffron Super News, regular webinars and an annual SMSF trustee presentation.

A feature of our technical support service for SMSF trustees is to ensure that no opportunities are missed and all threats are mitigated.

Do I need to meet face to face with my contact in the fund administration team?

This is entirely up to you. An annual meeting with your single point of contact is available to you as an ongoing fund administration client. This meeting is held at our head office (Maitland, NSW). The majority of clients engage with their point of contact electronically without meeting face to face and there are no impediments operating in this manner.

How does Heffron charge for its services?

Heffron charges a fixed dollar fee for all of its services. We strongly believe that the size of your SMSF should not determine the cost you pay for administration and compliance services.

For our fund administration service we charge bi-annually (one quarter in advance and one quarter in arrears) and invoice in October and April via a direct debit arrangement with the fund's bank account.

For new funds, a full quarterly fund administration fee will be charged for the quarter in which the fund commences.

For existing funds, we will charge the fund a full year's standard fund administration fee for the first year's accounts irrespective of when we takeover the fund. We also reserve the right to charge a higher fee subject to the complexity of the takeover. The invoice for completion of the first year's accounts will be sent upon completion of the accounts. The fund will also commence on our bi-annual invoicing cycle with invoices sent in October and April (one quarter in advance and one quarter in arrears).

For example an existing fund that is referred to Heffron in January 2012 and the first set of accounts required to be completed are 30 June 2011. The fund would commence on our bi-annual billing cycle effective from 1 July 2011. The first invoice for the fund would be in April 2012 and the fund would be invoiced the two quarters ending 31 December 2011 and the two quarters ending 30 June 2012. We would

also charge a full year's standard fund administration fees for the 2011 accounts when the accounts are completed.

For all other services, the fee is invoiced when the relevant service is requested (eg documenting a SMSF borrowing agreement, establishing a pension, etc).

How do I become a client of Heffron?

The first step is generally an initial phone conversation with a Heffron representative. During this discussion we look to gain an understanding of your needs and what you are looking for in a relationship with a firm like Heffron.

At the end of this discussion, we will provide you some documents, including an overview of the fund administration service and also the relevant fees applicable for your fund.

If you are keen to proceed once you have reviewed these documents, we will provide you with the relevant application forms to establish your SMSF / takeover of the administration of your existing SMSF.

For new funds, payment must accompany the application form (eg credit card details). Once the fund is established and money contributed or rolled in, the establishment fee can be reimbursed out of the fund's bank account back to the member.

For existing takeovers of the fund administration, we will liaise directly with the existing administrator/accountant and arrange for the transfer of data and documents to be sent to us. Ideally, an electronic copy of the fund's accounting records would be provided to us by the previous accountant/administrator.