

ezytax
BLUE

fee from
refund

FEE FROM REFUND (FFR)

Fee From Refund is a payment method that we can offer to clients that meet certain eligibility criteria. It works by directing the client's refund into an Ezytax Trust Account. From there our fees are taken and the remaining refund is sent to the client's bank account.

To avoid time wasters, ensure you ask **at the beginning** if they would like to pay cash/EFT or FFR.

If a client asks to pay from their refund, you **must** warn them of the following:

- 1) FFR price is higher than the cash/EFT fee – refer to the pricelist
- 2) The client **must** have a refund before proceeding
- 3) A review of the Income Tax Account, Integrated Client Account and Tax Return history must meet the below criteria.
- 4) The client **must** complete a **Trust Account Authority** form which can be found in your blue folder or in the Templates folder on the server. The client **must** complete the form and sign. You can enter the fee amount. Only **one** form is required per client regardless of how many tax returns are being prepared. Ensure the fee amount is the **same** as the invoice amount.

FFR CRITERIA

You **must** review and sign off on all 3 of the points seen at the bottom of the TAA before you can allow FFR.

For Office Use Only: All boxes must be checked for Client to be eligible for Fee From Refund.	
<input type="checkbox"/>	Income Tax Account / Integrated Client Account balance for client is \$0.00.
<input type="checkbox"/>	Income Tax Account shows no refunds being redirected to FAO, CSA or other ATO debt.
<input type="checkbox"/>	Client has received their last 3 refunds.
	Staff Signature _____

1) Client's Income Tax Account and Integrated Client Account balance is \$0

➔ The account **must** be \$0 or the client is **not** eligible for FFR

a) Find the the client on portal > select **Accounts Summary**

b) Review – if \$0 then check Income Tax History

CHEESEMAN, HAYDEN TFN
872 697 644 Add to
favourites

Summary Profile **Accounts and payments** Lodgments Super Business

Accounts summary

Accounts summary

Accounts			
2 results found			Filter
Account name	Payment reference number	Overdue	Balance
Income tax 551 CHEESEMAN, HAYDEN W	551008726976442121		\$0.00 Payment options

3) Income Tax Account shows that the client received all prior refunds and that no part of their refunds went to C/Link, Child Support, ATO etc.

➔ Click on **Income Tax**

Income tax 551

All fields marked with * are mandatory.

PALLENLINE, JIM I

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Overdue \$0.00	Not yet due \$0.00	Balance \$0.00
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3 results found - from 22 March 2022 to 22 March 2024 sorted by **processed date** ordered **newest to oldest**

Filter ▾



Processed date	Effective date	Description	Debit (DR)	Credit (CR)	Balance
8 Mar 2024	13 Mar 2024	Refund	\$2,418.74		\$0.00 ✓
6 Mar 2024	21 Nov 2023	Tax return Individuals - Income Tax for the period from 01 Jul 22 to 30 Jun 23		\$525.98 ↗	\$2,418.74 CR
6 Mar 2024	6 Jun 2023	Tax return Individuals - Income Tax for the period from 01 Jul 21 to 30 Jun 22		\$1,892.76 ↗	\$1,892.76 CR

→ Click **Filter** and change the **From Date** to say 2010 and click **Filter**

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From date *  To date * 

Sort by *

Processed date Effective date

Order date by *

Newest date Oldest date

Hide transaction groups which total to zero ⓘ

3) Client has received last 3 refunds and no refund has been redirected to CSA,

FAO, or other debts.

As you can see from the example below – **no refund** has been redirected, no payables and no debt. FFR is acceptable.

Processed date	Effective date	Description	Debit (DR)	Credit (CR)	Balance
8 Mar 2024	13 Mar 2024	Refund	\$2,418.74		\$0.00 ✓
6 Mar 2024	21 Nov 2023	Tax return Individuals - Income Tax for the period from 01 Jul 22 to 30 Jun 23		\$525.98 ↗	\$2,418.74 CR
6 Mar 2024	6 Jun 2023	Tax return Individuals - Income Tax for the period from 01 Jul 21 to 30 Jun 22		\$1,892.76 ↗	\$1,892.76 CR
25 Aug 2021	30 Aug 2021	EFT refund for Income Tax for the period from 01 Jul 20 to 30 Jun 21	\$2,588.33		\$0.00
24 Jul 2021	30 Aug 2021	Tax return Individuals - Income Tax for the period from 01 Jul 20 to 30 Jun 21		\$2,588.33 ↗	\$2,588.33 CR
27 Oct 2020	30 Oct 2020	Refund	\$6,944.50		\$0.00 ✓
2 Oct 2020	30 Oct 2020	Tax return Individuals - Income Tax for the period from 01 Jul 19 to 30 Jun 20		\$2,785.84 ↗	\$6,944.50 CR
2 Oct 2020	21 Nov 2019	Tax return Individuals - Income Tax for the period from 01 Jul 18 to 30 Jun 19		\$2,234.89 ↗	\$4,158.66 CR
2 Oct 2020	21 Nov 2018	Tax return Individuals - Income Tax for the period from 01 Jul 17 to 30 Jun 18		\$1,010.80 ↗	\$1,923.77 CR
2 Oct 2020	5 Jun 2018	Tax return Individuals - Income Tax for the period from 01 Jul 16 to 30 Jun 17		\$912.97 ↗	\$912.97 CR

As you can see from the example below – **refund** has been redirected, to CSA FFR is **not** possible. Since we are unable to see if the client has any current Child Support debt, we **cannot** offer the client Fee From Refund as the client's refund may again be transferred to Child Support.

Processed date	Effective date	Description	Debit (DR)	Credit (CR)	Balance
13 Mar 2024	18 Mar 2024	Credit transferred to Child Support	\$35.00		\$0.00
12 Mar 2024	15 Mar 2024	Credit transferred to Child Support	\$2,071.28		\$35.00 CR
7 Mar 2024	1 Apr 2022	General interest charge			\$2,106.28 CR ✓
7 Mar 2024	21 Nov 2023	Tax return Individuals - Income Tax for the period from 01 Jul 22 to 30 Jun 23		\$574.12 ↗	\$2,106.28 CR
7 Mar 2024	1 Dec 2022	General interest charge			\$1,532.16 CR ✓
7 Mar 2024	21 Nov 2022	Tax return Individuals - Income Tax for the period from 01 Jul 21 to 30 Jun 22		\$2,309.41 ↗	\$1,532.16 CR
7 Mar 2024	1 Apr 2022	General interest charge			\$777.25 DR ✓
- 7 Mar 2024	22 Nov 2021	Tax return Individuals - Income Tax for the period from 01 Jul 20 to 30 Jun 21		\$816.00 ↗	\$777.25 DR
7 Mar 2024	23 Nov 2020	Tax return Individuals - Income Tax for the period from 01 Jul 19 to 30 Jun 20		\$369.75 ↗	\$1,593.25 DR
7 Mar 2024	21 Nov 2019	Tax return Individuals - Income Tax for the period from 01 Jul 18 to 30 Jun 19		\$1,085.00 ↗	\$1,963.00 DR

4) Once you have confirmed the above, tick each point off and sign the **Staff Signature** line.

For Office Use Only: All boxes must be checked for Client to be eligible for Fee From Refund.

Income Tax Account / Integrated Client Account balance for client is \$0.00.

Income Tax Account shows no refunds being redirected to FAO, CSA or other ATO debt.

Client has received their last 3 refunds.

Staff Signature _____

CHECKING A CLIENT'S TAX ACCOUNT

To check whether a client has eligible for FFR, you *must* check their past lodgements.
Portal > Client's Home Page > Income Tax > Account Summary.

By default, the statement will be filtered to only show the last 2 years. Ensure you click **Filter** on the right hand side and change the period to at least 2010:

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From date * To date *

Sort by *

Processed date Effective date

Order date by *

Newest date Oldest date

Hide transaction groups which total to zero ⓘ

Things to look out for when checking a Client's Income Tax Account include:

- **Centrelink** – often people on Centrelink misreport their income to receive greater payments. When this incorrect income is exposed by a tax return, Centrelink will issue debt for the *overpayment*. Any refunds from said tax return will be used to pay the debt. We are unable to see current Centrelink debts before we lodge a client's tax return. If you ever see “**Credit Transferred to Centrelink**” on a client's tax account, they **cannot** do Fee From Refund.
- **Child Support (CSA/FAO)** – similar to Centrelink, people will often misreport their income to Child Support to minimise their payments. When this is exposed in a tax return Child Support will issue a debt that will take any tax refunds automatically. We are unable to see this debt as well. If you ever see “**Credit Transferred to Child Support**” on a client's tax account, they **cannot** do Fee From Refund.
- **Uneconomical debt** – as mentioned previously, a client's prior debts will automatically be used to pay any ATO debt or debt from government institutions. In an event where someone incurs debt but does not earn enough money to reasonably pay back the debt or get a tax refund, the debt may be considered uneconomical and the ATO won't pursue repayment until the client earns enough. If you ever see “Non-pursuit - uneconomical to pursue” on a client's tax account, they

cannot do Fee From Refund.

Processed date	Effective date	Description	Debit (DR)	Credit (CR)	Balance
12 Mar 2024	1 Jul 2018	General interest charge			\$0.00
12 Mar 2024	12 Jun 2018	Partial re-raise of a non-pursuit amount - Income Tax	\$168.88		\$0.00
12 Mar 2024	12 Jun 2018	Re-raise of non-pursuit amount - Income Tax	\$766.00		\$168.88 CR
8 Mar 2024	21 Nov 2023	Tax return Individuals - Income Tax for the period from 01 Jul 22 to 30 Jun 23		\$934.88	\$934.88 CR
24 Aug 2022	29 Aug 2022	EFT refund for Income Tax for the period from 01 Jul 20 to 30 Jun 21	\$500.50		\$0.00
23 Aug 2022	26 Aug 2022	EFT refund for Income Tax for the period from 01 Jul 21 to 30 Jun 22	\$1,533.84		\$500.50 CR
22 Aug 2022	22 Nov 2021	Tax return Individuals - Income Tax for the period from 01 Jul 20 to 30 Jun 21		\$500.50	\$2,034.34 CR
20 Aug 2022	26 Aug 2022	Tax return Individuals - Income Tax for the period from 01 Jul 21 to 30 Jun 22		\$1,533.84	\$1,533.84 CR
12 Jun 2018	12 Jun 2018	Non-pursuit - uneconomical to pursue		\$1,483.00	\$0.00
1 Aug 2016	1 Aug 2016	General interest charge			\$1,483.00 DR
5 Jul 2016	29 Jul 2016	Penalty for failure to lodge Tax return Individuals on time for the period from 01 Jul 16 to 30 Jun 17	\$850.00		\$1,483.00 DR

In the above example, you can see that the client had incurred debts from the ATO for late lodgements and that this debt was later considered uneconomical. When it was considered uneconomical, there was no debt shown in the client's tax account. However you can see years later, the ATO decided to re-pursue the debt and automatically took the client's refund. This client **cannot** do Fee From Refund.

- **Activity Statement Account** – When a client is registered for GST they must complete Business Activity Statements (BAS) where they declare GST on their business income and claim back GST on their business expenses. Most of the time a BAS will result in debt for the client.

This debt can also be deemed uneconomical by the ATO (see below). If this debt were to be pursued by the ATO in later years, any tax refunds would be automatically spent to pay it off. This means if a client has an **Activity Statement** you must **always** check it if they request FFR. It is found in the Client's Accounts Summary.

Activity statement 001

All fields marked with * are mandatory.

SPRATLING, JASON

Review [tax type summary](#) (net annual revenue product liability based on the income tax year)

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Overdue \$0.00	Not yet due \$0.00	Balance \$0.00
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28 results found - from 27 March 2022 to 27 March 2024 sorted by processed date ordered newest to oldest

Filter 

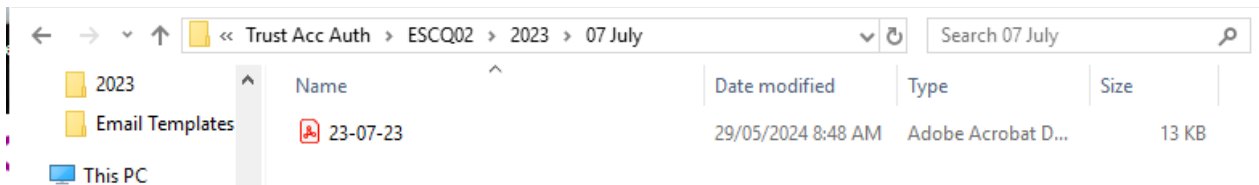
Processed date	Effective date	Description	Debit (DR)	Credit (CR)	Balance	
25 Oct 2023	25 Oct 2023	Non-pursuit - uneconomical to pursue		\$36,837.65	\$0.00	
25 Oct 2023	25 Oct 2023	General interest charge calculated from 02 Oct 23 to 24 Oct 23	\$257.87		\$36,837.65 DR	
2 Oct 2023	2 Oct 2023	General interest charge calculated from 04 Sep 23 to 01 Oct 23	\$304.79		\$36,579.78 DR	
4 Sep 2023	4 Sep 2023	General interest charge			\$36,274.99 DR	

TRUST ACCOUNT AUTHORITY (TAA) FORM

Once completed by the client, you will add it to your scans for review (see Tax101) and to the relevant Trust Acc Auth folder in your location's Administration folder. Scan all TAA in one scan and save as the relevant date:

Eg: Smithfield Station 2 for 23/07/23

Ezytax (T:) \ Cairns \ Administration \ Trust Acc Auth \ ESCQ02 \ 2024 \ July \ 23-07-23



VA Cairns Station 1 for 28/08/24

VA Drive (G:) \ My Drive \ VA Tax Accountants \ Cairns \ Administration \ Trust Acc Authority \ VCCQ01 \ 2024 \ August \ 28-08-24

