

Accounting Agency Mesiperä Ltd – Client Guidebook

This guide describes what actions the client has to undertake, and what material we need from the client in order to provide our services. Never hesitate to contact us if any questions come to mind.

At the start:

- The client will need to give us Suomi.fi -authorisations for certain public services. With these we can e.g. send salaries information to the Income Register and take care of your tax matters. We will send out a separate guide on how to accept the authorisation requests.
- Please provide us with a recent trade register excerpt and your articles of association – otherwise we will buy them from YTJ, and bill that amount (c. 7€).
- If your books have a history before us, we will need the previous ratified financial statement (if existing), and a trial statement of financial position, trial profits & loss statement, general ledger, journal and necessary breakdowns from the part of the financial year not done by us. If the accounting software stays the same, the switch can be done seamlessly. You can authorise Accounting Agency Mesiperä Ltd to communicate directly with your previous accountant for your convenience.

Accounting service

Accounting is a systematic way of recording business transactions, and a **voucher** acts as proof of those transactions for accounting. A voucher can be in paper form, PDF-, image or other digital file, it may be composed of one or more parts, and it can be created by an outside party or the client company itself. You need to provide all needed vouchers for us to provide accounting services.

Vouchers can be delivered as agreed:

- By paper mail.
- In digital form (PDF- or image file, images correctly rotated, all pages of one voucher in one file) to a shared folder, eTasku -service or attached to e-mails.
- Sales invoices can be created in the sales part of the accounting software, and purchase invoices can be ordered as e-invoices (digital accounting).

Vouchers can be for example:

- **Sales vouchers** – Individual sales invoices, reports from the cash register, rental agreements. Please make sure that VAT-details, possible non-VAT sales (e.g. interest), prepayments, reverse-VAT (e.g. construction, intra-EU sale of goods to businesses, international sale of services) and such are clearly marked.
- **Purchase vouchers** – Individual purchase invoices, cash receipts (n.b. not the CC receipts, but the receipt which states what was bought), rental agreements.
- **Bank statements and if necessary, cash books** – An official statement for your bank accounts or e.g. PayPal. If you use cash, you need to enter cash balance changes on a daily basis to comply with the law.
- **Financing vouchers** – Credit contract with a bank, decision to emit shares, pledges of corporate property.
- **Salary vouchers** – Individual salary slip or e.g. a monthly report, travel expense reports.
- **Other vouchers** – Inventory reports, depreciation report, decision to distribute dividends, customs invoices, capitalisation decisions, drive logs etc. (We can help with these).

Different kinds of vouchers can have many individual requirements, below are a few common ones:

- You can only deduct VAT from purchases if you have the original voucher from the supplier which clearly states the VAT contained. A lost receipt is lost VAT!
- When buying items or services from abroad, always mention that you are a business, and state you VAT-id if buying from the EU. They should invoice you without VAT. Any possible foreign VAT is never deductible.
- Sales or purchases are normally not entered just based on the bank statements, normal banking fees notwithstanding. If you do not have the original voucher, you will have to prepare one yourself and sign and date it (what was purchased, what price, from whom, when).
- If business expenses have been paid with the entrepreneur's / employee's personal funds, mark it on the voucher (e.g. "Paid by Emily Swanson"). If the sum is significant, also provide a payment receipt from your bank.
- Business funds have to be kept on a separate business bank account or otherwise separated; you should never use your personal account for business.
- Significant loans to the business should have a promissory note made. If the loan is necessary for the business, a reasonable market-rate interest can be paid. Loans from the business to the entrepreneur are often challenging from a taxation and corporate law P.O.V, and we recommend caution with them.

It is on the client to make sure that vouchers pertain to business matters, in unclear cases we might ask for clarification. Significant disagreements and/or questionable items may lead to a termination of service.

There is usually no need to write explanations on vouchers, unless the content is ambiguous (hairstylist has bought an anchor -> decoration, software company [with employees] has bought a gaming console -> employee recreation).

Representation expenses are only 50% deductible in income taxations, and non-deductible for VAT.

Representation expenses are expenses where you try to ameliorate relations with individual customers or business associates to further business goals. This might take the form of offering a luxurious dinner and opera tickets. Representation expenses must be discerned from normal marketing expenses, normal relationship expenses or employee recreation expenses. With recreation expenses it is advisable to write who was the counterparty and what was the aim of the representation.

A rule of thumb:

- Cold food and warm drink -> normal meeting expenses.
- Warm food and cold drink [alcohol] -> representation expenses.

Payroll services

A notice has to be filed to the Income Register within 5 days of payment for salaries, we take care of that. In practice it is permissible to file advance salaries paid during a month for the last day of the month, if the salary period (fin. palkkakausi) is a month.

For each month during which salaries were paid, or for each and every month if the employer is in the employer register, a separate notice has to be given to the Income Register, we take care of that.

For payroll services we need:

- Employee retirement insurance (TyEL) number.

For each employee we need:

- His or her tax card.
- Post address, email, bank account number and work categorisation (see [link](#), in Finnish)

For each payroll we need to know:

- For which period the salary was earned.
- Used and accumulated vacation days, if you wish to follow it on pay slips.
- Pay day, i.e. by which day the money has to be in the employee's bank account.
- Different pay items (monthly salary, hourly wage, fringe benefits, sick pay, overtime pay, vacation salaries etc.) We will gladly help you with these.

After payroll you and/or the employee will get a salary slip, where you can see what the net salary to be paid is. Unless otherwise agreed, actual payment to the employee is done by the client.

For a **YEL-insured** entrepreneur you do not need a TyEL-insurance nor a legally mandated work accident insurance.

Welcome to Accounting Agency Mesiperä Ltd!