



Registered
Professional
Accountant



THE GUIDE TO TRANSPARENT PRICING FOR ACCOUNTING PRACTITIONER'S SERVICES



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PRESIDENT'S MESSAGE

As Registered Professional Accountants (RPAs), we recognize the importance of delivering exceptional value to our clients while maintaining transparency and fairness in our pricing. We understand that discussions about pricing can sometimes be uncomfortable, especially when navigating the diverse needs of our clientele.

We take pride in providing tailored accounting solutions that address the unique requirements of each client. Whether it's financial reporting, tax planning, or related services, our team of RPAs is equipped to manage a wide range of accounting, finance, and business complexities.

We understand that our clients entrust us with their financial well-being, and we take this responsibility seriously. Our commitment to the RPA designation goes beyond simply offering services; it reflects our dedication to ethical practices and the use of our expertise to help individuals and businesses achieve their financial goals.

While pricing discussions may not be the most enjoyable aspect of our profession, we believe that transparency, fair pricing, and clarity are essential in building trust with our clients. By openly discussing our pricing structure and the value of our services, we aim to empower our clients to make informed decisions about their financial future.

Finally, I would like to express my sincere gratitude to all the members of the RPA Professional Practice Committee, especially Mr. Joseph Morgado, Chair of the Committee, for their contributions to the development of this report. I also extend my thanks to the RPA office staff and Board, whose ongoing support and feedback have greatly influenced the content and direction of this report.

ZUBAIR CHOUDHRY
President & CEO



SCOPE OF SERVICE

Tax Preparation and Planning:

- Preparation of personal and corporate tax returns
- Calculation and optimization of tax liabilities
- Tax planning strategies to minimize tax exposure and maximize deductions
- Compliance with federal and provincial tax laws and regulations
- Representation in tax audits and disputes with tax authorities

Bookkeeping and Accounting:

- Recording and classification of financial transactions
- Maintenance of general ledger accounts
- Bank reconciliations and cash flow management
- Accounts payable and accounts receivable management
- Generation of financial reports and statements

Financial Statement Preparation:

- Compilation Engagement
- Preparation of balance sheets, income statements, and cash flow statements
- Compliance with Generally Accepted Accounting Principles (GAAP) and Canadian Standard for Related Services (CSRS) 4200
- Analysis of financial performance and key performance indicators (KPIs)
- Preparation of customized financial reports for management or stakeholders

Audit and Assurance Services:

(Certified Accounting Practitioner will engage with CPA/LPA to facilitate their client work.)

- Independent audits of financial statements for accuracy and compliance
- Assurance engagements to provide credibility to financial information
- Review engagements to provide limited assurance on financial statements
- Examination of internal controls and risk management processes
- Compliance audits for regulatory requirements or industry standards

Advisory and Consulting Services:

- Business valuation services for mergers, acquisitions, or divestitures
- Financial planning and forecasting to support strategic decision-making
- Budgeting and variance analysis to monitor performance against targets
- Risk management assessment and mitigation strategies
- Succession planning and estate planning for business owners

Regulatory Compliance:

- GST/HST (Goods and Services Tax/Harmonized Sales Tax) compliance, including registration, filings, and audits
- Payroll services, including payroll processing, remittances, and year-end reporting
- Compliance with other federal, provincial, and municipal regulations related to payroll taxes, employment standards, and business licenses
- Preparation and filing of government forms and returns, such as T4, T5, and T5018 forms for Canadian tax purposes

BILLING METHODS

Hourly Rates:

- **Scenario:** A client requires tax preparation services for a complex estate involving multiple sources of income and deductions. The tax situation is intricate, demanding thorough analysis and strategic planning.
- **Example:** Practitioners and senior staff will be billed at \$200 per hour, while staff accountants will be billed at \$100 per hour. The client is informed of the hourly rates upfront and agrees to proceed with the engagement. The total fee will be calculated based on the actual hours each team member spends on the project. In this scenario, the practitioner must carefully provide an estimated number of hours, ensuring that the calculation is precise and reflective of the complexity of the work involved.

Fixed Fees:

- **Scenario:** A small business owner requests tax preparation services for their annual corporate tax return. The business has a straightforward financial structure with minimal transactions and deductions.
- **Example:** Practitioner offers a fixed fee of \$800 for preparing and filing the corporate tax return, inclusive of all necessary documentation and filings. The client appreciates the upfront pricing and agrees to the fixed fee, knowing the total cost of the service beforehand.

Value-Based Pricing:

- **Scenario:** A high-net-worth individual seeks tax planning services to optimize their tax strategies and effectively manage their overall tax liability for the upcoming fiscal year.
- **Example:** The practitioner conducts a comprehensive analysis of the client's financial situation, identifies opportunities for optimizing tax strategies, and proposes tailored tax planning solutions. The fee for the service is determined based on the complexity of the client's financial profile and the value of the strategic planning provided. The client agrees to the pricing structure, appreciating the careful attention to detail and the personalized approach offered by the practitioner.



BILLING RECOMMENDATIONS

Hourly Rate

- Advisory and consulting services (e.g., business valuation, financial planning)
- Complex tax planning
- Forensic accounting
- Specialized projects with variable scopes

Fixed Rate

- Tax Preparation and Filing
- Monthly Bookkeeping
- Compliance Services (e.g., GST/HST filings)
- Payroll Services (e.g., payroll calculations, T4, and ROE)

Value-Based

- High-value advisory services
- Strategic financial planning
- Business valuation
- Services with significant impact on client's financial situation

Complimentary

- Initial Consultation
- Establishing rapport
- Understanding client needs without financial commitment
- One hour initial online consultation

Fair pricing isn't just about numbers; it's about transparency, value, and building trust. By aligning our pricing with the value we deliver, we ensure our clients receive the best possible service at a fair and competitive price.

STEPS IN DETERMINING THE RIGHT PRICE

STEP 1: Gather Client Information

At the outset, it's essential to gather comprehensive information about the client's business, financial status, specific requirements, and industry context. This involves conducting in-depth discussions with the client to fully understand their needs and objectives. Additionally, it's important to explore the scope of services they require, identifying any unique circumstances that could impact the billing approach. By gaining a clear understanding of the client's situation and expectations, we can establish a solid foundation for determining the most appropriate billing method.

STEP 2: Assess Complexity and Scope

Once we have gathered the necessary client information, the next step is to assess the complexity and scope of the services required to meet their needs. This involves evaluating various factors, such as the intricacy of their financial affairs, the volume of transactions, ownership and corporate structure, and any specialized services that may be necessary. By carefully analyzing these elements, we can gain valuable insights into the level of expertise and resources needed to effectively address the client's requirements, which will guide our decision-making process regarding the most appropriate billing methods.

STEP 3: Analyze Time and Resources

In this step, we delve deeper into the practical aspects of delivering the services requested by the client. We assess the estimated time and resources required to fulfill their needs, considering factors such as the expertise and experience levels of our team members. By analyzing these elements, we can gauge the anticipated level of effort necessary to complete the work successfully. This allows us to align our billing approach with the actual resources and time commitments involved in serving the client.

STEP 4: Consider Industry Standards

It's essential to be informed about industry standards and benchmarks for billing practices within the accounting profession. By researching common billing methods used for similar types of clients or services, we can gain valuable insights into prevailing practices and expectations. This allows us to ensure that our billing approach remains competitive and in line with industry norms, enhancing transparency and trust in our client relationships.



STEPS IN DETERMINING THE RIGHT PRICE

STEP 5: Review Firm Policies

Before finalizing the billing method for the client, it's important to review our firm's policies and guidelines regarding billing methods and fee structures. We consider any standard practices or preferences within the firm for specific types of engagements, ensuring consistency and adherence to established procedures. This step helps us maintain clarity and consistency in our billing practices while upholding the firm's standards of professionalism and integrity.

STEP 6: Make Informed Decision

Drawing on the insights gained from the preceding steps, we are now equipped to make an informed decision on the most appropriate billing method for the client. Taking into account the client's needs, the complexity of the engagement, industry standards, and firm policies, we choose the billing method that best aligns with these considerations.



PRICING STRUCTURE & CLIENT CATEGORIZATION

Service	Description	Micro Client	Small Client	Medium Client
Tax Services	Preparation and filing of individual or business tax returns			
	T1 - Personal Tax Return			
	T2 - Intermediate tax return preparation			
	T3 - Complex tax return preparation			
	Tax slips preparation			
	NPO / Charity returns preparation			
Accounting Services	Compilation of financial statements			
	Non-compilation accounting reporting			
Bookkeeping	Monthly or quarterly bookkeeping services, including reconciliations			
Advisory / Consulting	Strategic advice and consulting services tailored to client needs			
Payroll	Weekly, bi weekly or monthly services as well as preparing annual T4's, ROE's.			



PRICING STRUCTURE & CLIENT CATEGORIZATION

Client Categorization	Micro Client	Small Client	Medium Client
Bank Accounts	1	2-3	3 plus
Loans	None	\$500,000	\$500,000 plus
Employees	1-10	10-20	20 plus
Asset Size	\$250,000	\$250K-\$1M	\$1M plus
Industry	Various	Various	Manufacturing & Processing
Annual Revenue	\$500,000	\$500K-\$1.2M	\$1.2M plus



TM Registered Professional Accountant



RPA CODE OF ETHICS

As **Registered Professional Accountants**, we are committed to conducting our business with the highest standards of ethics and integrity. Our pricing strategy is built on principles that prioritize fairness, transparency, and respect for our customers, employees, and the communities we serve. The following ethical considerations guide our pricing decisions:

- **Transparency:** We are committed to being transparent about our pricing methodologies, providing clear explanations to our customers about how prices are determined. We avoid hidden fees or deceptive pricing tactics that could undermine trust.
- **Fair Pricing:** Our prices are set based on factors such as production costs, market demand, and competition. We avoid price gouging or exploiting customers during times of crisis or scarcity, ensuring that our prices fairly reflect the value provided to our customers.
- **Equitable Treatment:** We treat all customers equally, avoiding discriminatory pricing practices based on race, gender, religion, or socioeconomic status. We believe in fairness and inclusivity in all aspects of our business.
- **Environmental and Social Responsibility:** We consider the environmental and social impacts of our pricing decisions and strive to incorporate sustainable practices. We support ethical sourcing initiatives and work to minimize our environmental footprint.





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THANK YOU

1-416-350-8145

info@rpacanada.org

www.rpacanada.org

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