

SR&ED

Preparing your
SR&ED Claim:
Why MSN is Better.

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Why MSN is Better

Companies switch to MSN to prepare their SR&ED claims for the following reasons:

1. **MSN finds more qualifying work**, and increases the value of the claim
2. **MSN helps to repair relationships with CRA** if you've had a history of audits and claim reductions
3. **MSN is an Engineering firm**. We specialize in a number of specific industry sectors and technologies. We are not generalists.
4. **MSN takes the burden of preparing the claim from internal resources**, and prepares the claim in real-time throughout the year, so it is filed without amending the tax return and preventing a rush at the end of the year.
5. **MSN trains clients on how to keep their records as CRA compliant as possible**, to reduce the risk of claim adjustments in the event of an audit.
6. **MSN offers flat rate pricing**, which can reduce consulting fees by 50% or more

What you can expect from MSN

Depth of Experience Established in 1999, we are one of the largest independent SR&ED firms in Canada, with offices from coast-to-coast. With all of our experience, we have likely helped one of your customers, suppliers or competitors. Our in-house team of Professional Engineers, Scientists and Tax Specialists have an exceptional track record. CRA has accepted well over 10,000 projects we've written. We only hire the best and we pay them well. As a result, we have extremely low employee turnover and high customer satisfaction because long term relationships can be built between our staff and your employees. We tend to only hire full-time employees, who are compensated based on customer satisfaction and well prepared SR&ED claims. Some of our competitors use sub-contract consultants who get paid a percentage of the claim, which can be problematic for customer satisfaction, especially when it comes time for CRA reviews.

We have many, privately-owned clients that receive refunds in the tens of thousands of dollars. We also have several publically traded clients that receive millions of dollars from the SR&ED program.

No Multi-Year Contracts We believe you should always have the freedom of choice and that we should have to earn your repeat business. We are so confident in the quality of our service, we don't have to lock you into a long term contract.

Flat Rate Pricing Option Some of our clients prefer to engage MSN using our flat rate pricing. This option still provides the complete front-to-finish package (claim preparation, tax filing and CRA audit support), payable after the claim is accepted.

Large but Realistic Claims We prepare 300+ claims each year with a 99% acceptance rate. The high calibre of our work is well known and documented by CRA. We know exactly what your claim should emphasize and what it shouldn't. Most of the time we are able to increase the value of a client's SR&ED claim because of our deep understanding of the SR&ED criteria and our experienced senior consultants. Equally important, we reduce the risk of an audit. We use analytics to track your claim size and have indicators to know when a claim is too large, or too small for different industries and company sizes.

In the event an audit does occur, we've greatly reduced the chances of a claim reduction because we've worked diligently to improve your SR&ED activity tracking system, bringing it as close to CRA compliant as possible.

Quick Claim Preparation Because of our technical depth, you will not have to waste time teaching us your technology. New clients are always impressed at how we hit the ground running and how little time they have to invest in the process. We write all of the project reports. Also, we help to de-mystify the SR&ED criteria and are proactive in preparing the claim in "real time" throughout the year, so your staff are not burdened by a rush project at the end of the year. Where mutually agreed, we will visit you 2 - 4 times throughout the year to ensure your staff are correctly identifying and tracking eligible projects. This way nothing gets missed, your claims are prepared and submitted with your taxes and you get your refund/tax credit faster.

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Seamless Integration with your Accountant

Most accountants understand that the SR&ED program is first and foremost a science and technology program which is why we have more than 30 Accounting firms referring their clients to us. Our role is not to replace your Accountant but rather work with them to maximize your benefit from the SR&ED program.

Trusted by the National Accounting Firms

Too often the National Accounting firms imply that the SR&ED claim is a part of the tax engagement. This is not the case. The SR&ED claim is a technical report with related costing that can be prepared by your staff or by specialized consulting firms like MSN. There are only 3-4 numbers that roll up from the completed SR&ED claim into the T2. Once these numbers are keyed into the tax software, the software does the rest of the calculations. Most T661s take less than 30 minutes to prepare by the tax accountants, after our engineer or scientist completes the SR&ED claim.

We have many clients that use a National Accounting firm for their audits and tax work, while we prepare the SR&ED claim. Often, these clients are tired of paying the high Accounting firm rates (\$600 - \$1,600 per hour) and they appreciate the extra level of service provided by MSN's "boutique consulting" approach. Since the National firms are aware of the quality of our work and they acknowledge that our claims are well prepared, MSN will pay their invoice to review our SR&ED claim so it can be confidently represented on the financial statements. MSN has a dedicated tax department, specializing in SR&ED. As a result, our clients do not get extra invoices from their accountants to incorporate the SR&ED claim into the T2.

Peer Reviewed Claims We have the resources to ensure that every claim is reviewed by at least two subject matter experts prior to submission. This is why our acceptance rate is so high and our adjustment rate is so low. You can be confident your claim was expertly prepared and fully maximized.

Faster CRA Processing of the claim

Our experience with CRA is excellent. With our name on the SR&ED claim, and with our relationships with the field auditors, we are confident your claim will be a success. We maintain a database of all CRA auditors. As a result, we have notes on over 100 CRA auditors and CRA staff involved in the SR&ED program. Whenever we encounter an auditor, we review these notes and modify our approach as necessary to optimize the working relationship. This information is very helpful to make the audit process smoother. Historically, we've been able to achieve good outcomes for our clients by dealing with the auditors, or the audit managers. In 2010, CRA shifted the eligibility requirements and is expecting higher standards for the technological advancement and technological uncertainty. Fortunately for MSN, many of our competitors seem slow to adapt to these new requirements. As a result, we've heard stories that our competitors blame the CRA auditor, or they blame the client for not keeping sufficient time records, or technical records. The truth is: work that was accepted in the past may not qualify in the future. Going forward, we need to adapt to the new CRA requirements in order to have smooth processing of your claims.

Return on Investment Claiming SR&ED is the most profitable activity most of our clients will engage in all year. You can expect a minimum return between \$5,000 and \$10,000 per hour spent with us.

Training For Your Team We will provide training for your key technical staff so they can better understand what SR&ED is, how to identify it and how to better track it.

Templates and Software We will provide free templates and software to help you keep track of SR&ED activities and simplify record keeping. We will show you all of the options (paper based, Excel and Word templates, web-based systems) and you can select the system that makes sense for your business.

Risk Free Engagements Simply put – we don't get paid until you get paid.

Support For Charities Every year we donate money to a variety of charities. Traditionally we have supported Canadian Breast Cancer Research, Upper Grand Learning Foundation, Anaphylaxis Canada, Heart & Stroke Foundation, Alzheimer Society and local homeless shelters. We do not ask our clients for donations but if you have a favourite charity you would like us to support, please let us know.



References

Industry References

We have worked with hundreds of small, medium and large sized organizations, in almost every industry. The smallest company that we have worked with had 2 employees, while some of the larger organizations include Affinia, Algoma, Bank of Nova Scotia, Broan-Nutone, Gap Adventures, Gates Canada, General Motors, Goodyear, Hewlett-Packard, Leggett & Platt, Linamar, Magna, Orica, Owens Corning, National Refrigeration, Northrop Grumman, Parmalat, Pattison, Philips, PPG, Rheem, Rothmans, Benson & Hedges, Sandvik, Stryker, St. Lawrence Cement, Stackpole, Stackteck, Sun Life, Tenaris & ThyssenKrupp.

Accounting References

We have over 30 small and mid-sized accounting firms that refer their clients to MSN for speciality tax credit consulting (SR&ED and IRAP). Also, several of the top 10 accounting firms (Grant Thornton, MNP, Collins Barrow) and the Business Development Bank (BDC) use MSN as their SR&ED consultant to prepare the SR&ED claims for their clients.

Contact any of the references below to confirm the quality of our work”

1. **Stacktech Matrix** – Nelson Artunes – Corporate Controller & Treasurer 416-749-1698 Ext. 530
2. **Gates/Stackpole** – Paul Morton – Engineering Manager 905-403-0550 Ext. 300
3. **National Refrigeration** – Vince Zolli – Engineering Manager 519-751-0444 Ext. 233

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To Whom It May Concern,

I would like to take this opportunity to thank Management Support Network for assisting us with the preparation of our SR&ED claims. We have been engaged with them since 2006; all claims have been accepted as filed.

MSN has provided us with in depth knowledge and education which allowed us to understand what portions of our business are SR&ED eligible. This service consisted of a seamless process with very little disruption to our staff which allowed us to focus on the day to day operations of our business. They have provided us with a diligent and excellent follow up service through the entire process and were always accessible should we have any questions.

Their approach, extensive knowledge and strong backgrounds are a definite asset; and will assist in future growth and development of our company.

We are looking forward to continuing our relationship with Management Support Network and would not hesitate to recommend this service to anyone wishing to file a successful SR&ED claim.

Yours Sincerely,



Nelson Antunes
Corporate Controller & Treasurer
StackTeck Systems Limited

Want more information?

For more information about SR&ED or any of our other government programs contact us today.

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