

STANDARD ENGAGEMENT LETTER

The purpose of this letter is to set out a clear understanding of my involvement as preparer of your tax returns, as well as your responsibilities as the taxpayer.

I appreciate the opportunity to work with you and advise you on income tax matters. Penalties are imposed on taxpayers, and on us as tax return preparers, for failure to observe due care in reporting on your income tax returns. To ensure an understanding of our mutual responsibilities, I ask you to confirm the following arrangements. It is my responsibility to prepare your tax return correctly according to the law and the information that you have provided.

I will prepare your personal income tax and information returns based on information that you provide to me. I will not audit or otherwise verify the data you submit, although I may ask you for clarification of some of the information.

It is understood and agreed that your responsibility as the taxpayer is as follows:

- The accuracy of the information and completeness of the representations reflected in your return is your responsibility. You represent that the information supplied to me is, to your knowledge, correct and complete, and fully discloses all your reporting requirements under the *applicable legislation*. You have been informed of the consequences of not providing complete information, invoices etc. The consequences may be a refund re-payment, (or complete disallowance of claims) plus interest, etc. By signing this letter, you are stating that you and you alone, will take full responsibility for all claims etc. as may be imposed by the tax authorities. You should retain all the documents that support your income and deductions.

These may be necessary to prove the accuracy and completeness of your tax returns. As such you should review your return carefully before you sign it. By signing this letter, you agree that you will provide me with accurate and complete information necessary to prepare your tax returns.

- *By signing your return*, you confirm that all income and deduction items included in your tax return are correct and complete. You confirm that all sources of income have been disclosed, all deductions were incurred to earn income, and receipts support all credits claimed.

- All business (including commission, farming, and professional incomes) and rental schedules present the results of operations and include all material transactions.

- All income and benefits from employment have been reported, including such not on information slips.

- All income from investment (whether received or not) has been reported, including such not on information slips. All dispositions of a capital nature, and their costs, have been reported.

- All estimates for personal use of your vehicle, business portion of residence, and other such estimates you have provided are reasonable and supported by usage logs and other evidence.

- **If you owned certain property outside of Canada with a total cost of more than \$100,000 at any time during the tax year, it may be necessary for you to declare such ownership in your tax return(s). There are substantial fines and penalties for non-compliance.**

- You are not aware of any illegal or possibly illegal act for which you have not disclosed to us all facts related thereto.

- My office respects the privacy of personal information, that is, information that identifies you as an individual, or that is associated with such identifying information. By engaging my services, you agree to provide personal information necessary for me to meet your service requests.
- Before you provide me with any personal information on behalf of others, you agree that you will have obtained consent for collecting, using, and disclosing this information, according to privacy legislation. I will not disclose your private information to anyone, including your spouse, without your authorization.
- I want you to know that I will not rent, sell, or otherwise make your personal information, including contact information, available to any third party without your permission. I use your information to complete your service requests and to maintain my professional correspondence with you. I follow rigorous privacy practices, and I have a privacy policy that governs my use and handling of the information you provide to me. Please call me if you would like additional information about these practices. To change your contact information or to let me know if there are any types of correspondence you do not wish to receive from my office, please contact me.
- Your return may be selected for review or audit. Often, they request copies of your receipts and other times they may require a full audit. Any adjustments proposed are subject to certain rights of appeal. In the event of such tax examinations, I will be available upon request to represent you.
- My fee for services is based on my fee schedule plus out-of-pocket expenses. All invoices are due and payable upon presentation.

I shall be pleased to discuss the contents of this letter with you at any time. Thank you for your trust and patronage. I look forward to the privilege of being of service to you this tax season.

If this letter accurately reflects your understanding, please acknowledge your agreement by completing and signing the enclosed checklist and engagement and returning it to me when you bring in your tax papers.

Please feel free to call me with any questions or concerns.

Yours truly,



Bert Mulder CPA, CGA