

- **Business Owners/Managers/Contractors**
- **Employees with Expenses**
- **Executives and Professionals**
- **Investors and Rental Property Owners**

Personal Tax Return Engagement Letter

I appreciate the opportunity to work with you on your personal tax and advise you on tax matters. Canada Revenue Agency (CRA) imposes penalties upon taxpayers, and upon me as a tax return preparer, for failure to observe due care in reporting on your income tax returns. The purpose of this letter to set out a clear understanding of our mutual responsibilities and terms of engagement. I also ask you to confirm the following arrangements with a signature to this engagement letter. Therefore, it is understood and agreed that:

This year I will prepare your personal income tax returns and future or past tax returns from information you provide to me, as follows:

- a) You will provide me with accurate and complete information necessary to prepare your tax returns. The accuracy of the information and completeness of the representations reflected in your return is your responsibility under the **Income Tax Act**. You represent that the information supplied to us is, to your knowledge, correct and complete, and fully discloses all of your reporting requirements under the **Income Tax Act**.
- b) You confirm that you have provided me with all the income and deduction items to be included in your tax return and that they are correct and complete. You also confirm that all sources have been disclosed, all deductions were incurred to earn income, and all credits claimed are supported by receipts.
 - i. All schedules and forms reporting business, commission, farming, professional and rental incomes present the results of operations and include all material transactions.
 - ii. All income and benefits from employment have been reported, whether or not they are on the T4 slips or any other employment related tax slips.
 - iii. All income from investments (whether received or not) have been reported, whether or not they are on any T3, T5 or any other investment related tax slips.
 - iv. All dispositions of a capital nature (stocks, real estate, vehicles, etc.), and their costs, have been reported.
 - v. All estimates for personal use of automobile(s), business use or employment use of a portion of your residence, and other such estimates you have provided are reasonable and supported by usage logs and other evidence.
- c) You are not aware of any illegal or possibly illegal acts for which you have not disclosed to me all related facts.
- d) You may use my office address as the mailing address for Canada Revenue Agency (CRA) with respect to assessments and/or queries. If you choose this option, I will forward to you copies of any communication I receive on your behalf with recommendations for the disposition of matters requiring a response. If you choose to use your own address as the mailing address (a default option if you do not use my address), I recommend that you provide me, as soon as possible, with copies of any correspondence you receive from CRA. In many cases, reply deadlines apply and if not met, proposed assessments or reassessments may be issued or opportunities to challenge issues may be lost. Please let me know your preference at the time you deliver the information for preparation of your return(s) so I may indicate your preference when preparing your tax return(s).
- e) You should retain all the documents, cancelled cheques and other data that form the basis of your income and deductions. These may be necessary to prove to CRA the accuracy and completeness of the return.
- f) You have the final responsibility for the income tax return and, therefore, you should review it carefully before you sign it.

My Role and Responsibilities

- a) It is my responsibility to prepare your tax returns according to the law and the information that you have provided.
- b) I will not audit, review or otherwise attempt to verify the accuracy or completeness of any information provided.

- c) I will assist you in providing additional information or explanations related to my preparation of your returns should Canada Revenue Agency request it. Additional fees may apply.
- d) In the event that CRA selects your return for review I will be available upon request to represent you. Additional fees may apply.
- e) I would like to emphasize that this engagement cannot be relied upon to prevent errors or detect errors or other irregularities in the information provided to me.

Electronic Communications

During the course of our engagement, I may communicate with you via email. Electronic copies of financial statements and tax returns may be sent to you or may be required by a regulatory body. Please discuss with me any issues or concerns you may have regarding electronic communications and security risks (including human error).

Commodity and other taxes, levies, fees etc.

It should be noted that I am preparing your personal income tax return as compared to working on GST/HST and other commodity taxes. Accordingly, we may not detect situations where you are incorrectly collecting GST/HST or incorrectly claiming input tax credits. As you are aware, failure to properly account for the GST/HST could result in you or your company becoming liable for tax, interest or penalties. These situations may also arise for provincial sales tax, WorkSafe, custom duties, MSP, excise taxes and other taxes, levies, fees etc. Upon request, we would be pleased to provide additional service with respect to these and other issues.

Fees

My professional fee will be based upon the time required for each engagement at my normal rates and invoices are due and payable upon presentation. Upon completion of your income tax return or after providing advice and/or related services, I will render a bill for services based on my usual billing rates. The personal tax returns, and any related work, will not be released until fees are paid. Any outstanding amounts will be charged interest at 1.5% per month (18% per annum).

Fees for additional services or miscellaneous requests for services will be established separately. Should you request additional services through the years, you agree to pay our normal fees for services or hourly rates as we establish at the time the services are rendered. I am available throughout the year to provide a variety of tax, small business assistance and related financial services that I will be happy to discuss with you. Brief phone calls and emails will be accumulated throughout the year. Typically I will bill you for this when the billable amount exceeds \$150; if it does not reach \$150, then the accumulated amount will be billed on your next personal tax return.

If I am required by government regulation, subpoena, or other legal process to produce my working papers, or to respond to information requests, I will bill the time incurred based on my regular rates plus direct out-of-pocket expenses and applicable taxes.

By signing this letter, you and each family member agrees that I may retain personal information and records containing personal information pending satisfaction of any outstanding accounts, even if a request is made under the *Personal Information Protection Act* for access to that information.

Confidentiality and Use of Personal Information

In accordance with my professional obligations, my client files must periodically be reviewed by practice reviewers and firm personnel, to ensure I am following applicable professional and firm standards. Reviewers are required to maintain confidentiality of client information.

I will maintain in confidence the information that you give me. Accordingly, your personal information will not be

disclosed to individuals outside of my firm or used by anyone in my firm other than those who are involved in preparing your tax return(s) and/or providing related services, except:

- a) With your consent;
- b) As authorized or required by the Personal Information Protection Act ("PIPA"), or other law;
- c) As authorized or required under the Bylaws and Rules of the Chartered Professional Accountants of B.C., or other applicable professional obligations; or

All personal information will be used and protected in accordance with my firm's privacy policies.

You will provide the information I need to prepare your personal income tax return(s). By signing this letter, each family member (adult and minor children alike) consents to my use of personal information as is necessary for the purpose of preparing your (and your family member's) personal income tax return(s), including:

- a) Transferring personal financial information from one family member's return onto another family member's return, in order to maximize eligible tax credits, minimize tax payable, or take advantage of deductions;
- b) Filing your (and your family member's) tax return(s) with Canada Revenue Agency; and
- c) Delivering your (and your family member's) completed tax return(s) to you or any family member.

I may also use personal information to communicate with you and your family members and determine whether other professional services may be of benefit to any of them, and, if so, to offer those services to them.

Foreign Taxes and Foreign Reporting Waiver

I am not qualified or responsible to provide advice on any foreign income taxes, other taxes, fees, levies etc. nor any filing requirements, disclosure, etc. I can, where requested, attempt to refer you to qualified advisors and work with these advisors as there will in many cases be Canadian implications. I have made you aware of the information returns regarding the various foreign property returns required by the Canada Revenue Agency, and the significant penalties for late filing and failure to file. You acknowledge that you did not have, nor to your knowledge did any associated or related companies during the last fiscal year have any of the following items that require you to file one or more foreign reporting returns:

1. Any foreign affiliates, (generally speaking a foreign company in which you and related individuals owned in combination at least 10% of the total company)
2. Any transfers of money or other property to non-resident trusts
3. Any indebtedness owed to or distributions received from non-resident trusts (which can include property received from the estate of a relative in a foreign country)
4. Specified foreign property costing in combination more than \$100,000 (examples include funds held in a foreign bank account, real estate or shares in foreign companies).

If there are exceptions to the above, please note them here:

You understand that if you have interests in foreign property in future years, you may be required to file foreign property information returns for those years.

Liability

The liability of Leonard Bruno & Associates Inc. ("the firm") to you (and your family) for any claim related to professional services provided pursuant to this engagement letter in either contract, negligent misrepresentation or tort, including the officers or employees of the firm shall be strictly limited to the amount of any professional liability insurance the firm may have available at the time such claims are made. No claim shall be brought against the firm in contract, negligent representation or tort more than three years (from the date of Notice of Assessment) after the services were completed or terminated under this engagement. If you have any questions about the content of this letter, please call Leonard Bruno at 604 454-9484.

If the services outlined are in accordance with your requirements and if the above terms are acceptable to you, please sign this letter in the space provided below and return it to me.

Sincerely,
Leonard Bruno & Associates Inc.

Leonard Bruno

Leonard Bruno, CPA, CGA

By engaging your services:

- a) I am aware of your duty of confidentiality with respect to client affairs. Accordingly, except for information that is in the public domain, I am aware that you will not provide any third party with confidential information concerning my affairs without my prior consent, unless required to do so by legal authority, or by the code and rules of conduct of the Chartered Professional Accountants of British Columbia.
- b) I am aware that you will require access to certain personal information. I hereby represent to you that I have obtained all consents that are required under applicable privacy legislation for the collection, use, and disclosure to you of personal information and that you will manage all personal information in compliance with your Privacy Code. Before I provided you with any personal information on behalf of others, I agreed that I obtained consent for collecting, using and disclosing this information, according to privacy legislation.
- c) I am aware that the Proceeds of Crime (Money Laundering) and Terrorist Financing Act places certain legal requirements on you. I am aware the Act implements specific measures you are required to employ to detect and deter money laundering and terrorist financing activities, including requirements for CPAs to report suspicious transactions.
- d) I am aware that in accordance with professional requirements, your client files are subject to periodic practice review by your provincial governing body as a self-regulating professional organization responsible for regulating its members and protecting the public. You have made me aware that the practice reviewers are required to maintain strict confidentiality of any client information they may encounter during this process.
- e) I agreed to provide personal information necessary for you to meet your my service requests;
- f) I acknowledge and accept my responsibilities as the taxpayer as outlined above:

The services and terms as set out above are as agreed and will remain in effect from year to year unless revised in writing. The terms set out in this letter are acceptable and hereby agreed to:

Accepted by:

Print Name(s)

X _____ Date: _____
Signature (For families, a signature by one family member applies to the whole family)