Client onboarding checklist

United States edition

Work through the groups in order. Replace [bracketed] items with your own. The notes say why an item is there; the item line is short enough to send to a client as it stands.

1. BEFORE YOU ACCEPT

- [ ] Run a conflict check on the client, its owners and any related entities
  A spouse, a business partner or the other side of a sale may already be your client. Check before you learn anything confidential.
- [ ] Write down the scope you are quoting for, and what is excluded
- [ ] Agree the fee, how it is billed and what triggers a change
- [ ] Ask who the previous accountant was and why the client is moving
  The reason for the change is the most useful thing you will learn in onboarding. A fee dispute or a refused instruction is a warning.
- [ ] For an audit, get management's permission to contact the predecessor auditor
  AU-C 210 requires the successor auditor's inquiries of the predecessor once management authorizes them, including about fraud and noncompliance with laws.
- [ ] Confirm the work is within your competence and your staff's capacity this season

2. IDENTITY AND WHO YOU ARE DEALING WITH

- [ ] A current government-issued photo ID for each individual client
  FinCEN's customer due diligence rule does not cover accounting firms. The check protects against identity theft and against filing a return for someone who is not your client.
- [ ] For an entity, formation documents and the EIN confirmation letter
- [ ] The names of the owners, officers and anyone who can instruct you
- [ ] Written confirmation of who signs for the entity and who may receive its information
- [ ] Contact details you have verified, not just copied from an email signature

3. THE ENGAGEMENT LETTER

- [ ] An engagement letter for each entity and each type of service
  One letter covering a person and their company is hard to enforce and awkward to end. Separate clients get separate letters.

- [ ] Scope, exclusions, fees, client responsibilities and how the engagement ends
- [ ] The client's signature on the letter before work begins
  Use your own signing provider or wet ink. Keep the signed copy with the client's file, not in someone's inbox.
- [ ] A section 7216 consent, if you will use or disclose return information beyond the return

4. AUTHORIZATION WITH THE IRS

- [ ] Form 8821 if you need to see the client's IRS records
  An 8821 lets you inspect and receive information. It does not let you speak for the client, advocate for them or sign waivers and agreements on their behalf.
- [ ] Form 2848 if an attorney, CPA or enrolled agent will represent the client
- [ ] Request the authorization through Tax Pro Account where you can
  The client approves the request in their own IRS Online Account, and individual requests are processed in real time. Faxed and mailed forms need a handwritten signature and join a queue.
- [ ] State forms for each state where you will file or deal with the tax agency
- [ ] Form 8655 if you will file payroll returns or make deposits as reporting agent

5. ACCESS TO SYSTEMS

- [ ] Accountant or advisor access to the ledger software, not the owner's login
  A shared login means no audit trail of who changed what, and it breaks the day the owner changes their password.
- [ ] Read-only access to bank and credit card accounts, or the statements if not
- [ ] Access to the payroll provider, or its reports each pay run
- [ ] The point-of-sale, e-commerce or payment processor reports that feed the books
- [ ] A record of every login the client has granted you, to revoke when you part

6. THE PRIOR-YEAR FILE AND OPENING DOCUMENTS

- [ ] The last two years of federal and state returns, with all schedules
- [ ] IRS and state notices received in the last three years
- [ ] The prior-year depreciation schedule and fixed asset register
  Without it, basis and depreciation start from a guess. It is the document predecessors most often fail to send.
- [ ] The year-end trial balance and financial statements for last year

- [ ] Carryforwards the prior preparer tracked, such as losses and credits
- [ ] Loan agreements, leases and any agreements between the owners

7. COMMUNICATION AND PORTAL SET-UP

- [ ] A client portal login for each person who will send or receive documents
- [ ] Agree how you will send documents and how you will not, such as email attachments
  Your security plan under the Safeguards Rule covers how client data reaches you, not just where it is stored.
- [ ] Multi-factor authentication switched on for every client login
- [ ] One named contact on each side, and a backup

8. THE FIRST DEADLINES

- [ ] The next return due date and whether an extension will be needed
- [ ] Estimated tax payments for the current year, and who calculates them
- [ ] Payroll deposits and quarterly payroll returns, if you are taking on payroll
- [ ] Forms 1099-NEC, due January 31, if the client pays contractors
- [ ] The date you need the client's documents by, written into the request list

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