The T1 engagement letter

Canada edition

[Firm letterhead]

[Date]

[Client name]
[Client address]

Dear [Client name],

THE ENGAGEMENT

We will prepare and electronically file your [year] T1 income tax and benefit return, together with your [province] provincial return, from the information and documents you give us. This includes [employment and investment slips / business income (T2125) / rental income (T776) / capital gains and losses / the principal residence designation / Form T1135].

WHAT IS NOT INCLUDED

This engagement does not include a return for any other person, including your spouse or common-law partner; [a Quebec TP-1 return]; instalment calculations; tax planning or advice; bookkeeping; or responding to any review, audit or reassessment by the Canada Revenue Agency. We will quote for any of these separately if you ask us to.

YOUR RESPONSIBILITIES

You are responsible for the accuracy and completeness of the information you give us, and for keeping the receipts and records that support it for at least six years. We will rely on what you provide without auditing or verifying it.

You will tell us if, at any time in the year, you held specified foreign property with a total cost of more than $100,000, sold a property you had lived in, or received income from outside Canada.

We need all slips and records by [date]. If they arrive after that date we may not be able to file by the deadline, and additional work caused by the delay will be charged at [rate] per hour.

FILING AND YOUR AUTHORIZATION

Before we file, we will send you the completed return and Form T183. We will not transmit the return until you have reviewed it and signed the T183, and we will each keep a signed copy for six years. By signing it you confirm that the information in the return is correct and complete.

Your return is due on April 30, [year]. If you or your spouse or common-law partner carried on a business, the filing deadline is June 15, but any balance owing is still due on April 30. Interest runs on a balance not paid by April 30, and a penalty applies to a return filed late.

DEALING WITH THE CRA FOR YOU

If you would like us to speak to the Canada Revenue Agency on your behalf, you can authorize us through My Account, or give us the details we need to request access through Represent a Client. Authorization lets us correspond with the CRA for you; responding to a review or reassessment is outside this engagement unless we agree it in writing.

THE LIMITS OF THIS WORK

This engagement is the preparation of a tax return. It is not an audit or review of your affairs, and it will not necessarily detect errors, omissions or fraud in the information you provide.

FEES

Our fee is [amount] in Canadian dollars, plus applicable GST/HST, invoiced when the return is ready for your signature and payable within [number] days. The fee does not depend on the size of any refund or balance owing.

CONFIDENTIALITY AND YOUR INFORMATION

We keep your information confidential, hold it in accordance with PIPEDA or the provincial privacy law that applies to us, and retain our working papers for [number] years.

AGREEMENT

Please sign and return a copy of this letter to confirm these terms.

Yours sincerely,
[Name], [Firm name]

Agreed by [Client name]:

Signature _____ Date _____

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