

# CHARLES JEFFERY

## Chartered Accountant

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January 1, 2010

### **Re: Engagement to Prepare Personal Tax Return(s)**

Dear Client,

The Purpose of this letter is to set out a clear understanding of the nature of our involvement as the preparers of your personal income tax and benefit return(s) for 2009 (and subsequent years) and your responsibilities as the taxpayer.

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

- a) 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 us with all income and deduction items to be included in your tax return and that they are correct and complete. You confirm that all sources of income, and all credits claimed are supported by receipts.
  - All business and rental schedules present the results of operations and include all material transactions
  - All Income and benefits from employment have been reported, whether or not they are on T4 slips.
  - All Income from investment (whether received or not) has been reported, whether or not they are on T3 and T5 slips.
  - All dispositions of a capital nature, and their costs have been reported.
  - All estimates for business portion of residence are reasonable and supported by usage based on area measurements and other evidence.
  - When the cost of operating a vehicle and the related capital cost allowance is claimed as an employment or business expense the estimate for personal use is reasonable and supported by usage logs and other evidence.
- c) If you owned certain property outside of Canada totaling more than \$100,000 at any time during 2009, it may be necessary it may be necessary for you to declare such ownership in your tax return(s). There are substantial fines and penalties for non-compliance. Check and initial one of the following.
  - You confirm that you did not, at any time in the year 2009, own or hold beneficial interests in specified foreign property totaling more than \$100,000. Or,
  - You confirm that you have provided us with the correct and complete information with regards to ownership of, or beneficial interests in, specified foreign property as reported on the Foreign Income Verification Statement (T1135) and you have fully disclosed the related foreign income.

- d) Northern Residents Deductions (T2222) – Residency deduction. It is your responsibility to provide proof of residency and to provide us with the information required to file this claim.
- e) Northern Residents Deductions (T2222) – Travel deduction. It is your responsibility to provide travel itineraries and trip receipts for any trips you wish to claim. The “cost of the lowest return airfare” is not a posted rate by Canada Revenue Agency and you must choose which rate you would like used on form T2222 when calculating your travel deduction. Check and initial one of the following.
  - 2008-T1 Assessed rate by Canada Revenue Agency (example: Yellowknife to Edmonton return - \$983)
  - October 1, 2009 Fixed rate VTA used by Treasury Board of Canada Secretariat (example: Yellowknife to Edmonton return - \$1746)

**It is understood and agreed that our role as your tax return preparer is as follows:**

- a) We will not audit, review or otherwise attempt to verify the accuracy or completeness of any information provided. It is up to you to provide us with accurate and complete information to prepare such personal income tax return(s).
- b) Your personal income tax return(s) will include the following statement “Prepared without audit or review from information provided by the taxpayer” along with the our firm name identified as the preparer of your tax return(s)
- c) If the income tax return contains any business or rental forms or schedules for which we compile the figures, We will include with such forms or schedules a “Notice to Reader” report in the following form:

*NOTICE TO READER*

*We have compiled (form or schedule) from information provided by (name of taxpayer). We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information. Readers are cautioned that (form or schedule) may not be appropriate for their purposes.*

*Charles Jeffery Chartered Accountant, Yellowknife, NT*

Should you have reason to circulate such forms or schedules with or separate from the income tax return(s), you agree that this report shall also be included with the circulated document.

**Filing of your return:**

Current year (2009 T1) tax returns may be electronically filed (efiled) up until September 1, 2010 if chosen. All subsequent year returns will be sent with transmittal letter by express-post to Canada Revenue Agency – Winnipeg Tax Office. Once the return(s) has left our office we have no control over the amount of time required by CRA to process your return. Nor do we have the ability to check the progress of your return with CRA. Please check and initial one of the following.

- I wish for my 2009 return to be efiled
- I wish for my 2009 (and subsequent year) return(s) to be mailed

**Fees:**

Upon completion of your income tax return or after providing advice or other service on any matters respecting same, we will render you a bill for our services. Our professional fee will be based on the quoted price unless extenuating circumstances are discussed with you in advance. It is agreed that this invoice will be paid upon receipt.

If 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 and return it to us prior to our commencement in preparing your tax return(s). We appreciate the opportunity of continuing to be of service to you in the preparation of your personal income tax return(s).

Yours truly,



Charles Jeffery C.A.

The services and terms as set out above are as agreed. As well, I acknowledge and accept my responsibilities as the taxpayer as outlined above.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Social Insurance Number

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date