

Clients/Taxpayers: \_\_\_\_\_  
\_\_\_\_\_

**Subject: Letter of Engagement**

We appreciate the opportunity to work with you and advise you on income tax matters. Canada Revenue Agency (CRA) imposes penalties upon taxpayers, and upon 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, we ask all clients for whom we prepare tax returns to confirm the following arrangements.

We will prepare your \_\_\_\_\_ personal income tax return(s) based on information that you provide to us. We will not audit or otherwise verify the data you submit, although we may ask you for clarification of some of the information.

**Travel Expense Deduction**

In preparation of the Travel Expense Deduction on Form T2222, if any, we will use as the lowest economy return airfare, the higher of the rate published by the airlines and the CRA published rates. CRA may select your return for review or audit of the amounts claimed as "deduction for travel benefits" as reported on the T2222. In the event of such tax examinations, we will be available upon request to represent you, and we will charge a fee for such service.

**Our Responsibilities**

It is our responsibility to prepare your tax return correctly according to the law and the information that you have provided. It is your responsibility to provide us with all the information required to prepare complete and accurate returns. 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 the accuracy and completeness of the return to CRA. You have the final responsibility for the income tax return and, therefore, you should review it carefully before you sign it.

**Your Responsibilities**

By signing this letter, you represent that you will provide us with accurate and complete information necessary to prepare your tax return. This includes informing us of all interests you held in foreign properties with an aggregate cost in excess of \$100,000 at any time in the year, as well as all income from any foreign properties regardless of their aggregate value and all income and transactions relating to non-resident trusts.

The law imposes various penalties when taxpayers understate their tax liability. If you would like information on the amount or circumstances of these penalties, please contact us.

**Privacy of Personal Information**

Our business 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 our services, you agree to provide personal information necessary for us to meet your service requests.

Before you provide us 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.

We want you to know that we will not rent, sell, or otherwise make your personal information, including contact information, available to any third-party without your permission. We use your information to complete your service requests, to inform you of changes in our business or service offerings, and to maintain our professional correspondence with you.

We follow rigorous privacy practices, and we have a privacy policy that governs our use and handling of the information you provide to us. We invite you to contact our office if you would like additional information about these practices.

**CRA Audits**

CRA may select your return for review. Often, they request copies of your receipts and other times they may require a full audit. Any adjustments proposed by CRA are subject to certain rights of appeal. In the event of such tax examinations, we will be available upon request to represent you and our fee for such service will be based on time incurred plus any direct out-of-pocket expenses.

**Our Fees**

Our fee for services is based on our fee schedule plus out-of-pocket expenses. If we are required to compile information (i.e. bookkeeping like services), we may charge using our hourly rates for the additional resources required to complete the return(s). All invoices are due and payable upon presentation.

**Other**

To change your contact information or to let us know if there are any types of correspondence you do not wish to receive from our office, please contact us.

**Acknowledgement**

If this letter accurately reflects your understanding, please acknowledge your agreement by signing and returning to us the enclosed copy. Please feel free to call us with any questions or concerns at 867-979-6603. Thank you for your trust in our business.

Sincerely yours,

***BAKER TILLY ARCTIC INC.***

Accepted by: \_\_\_\_\_  
Client's Signature

Date: \_\_\_\_\_

**Downloading of Tax Slips from CRA will not guarantee that all items will be reported. It is your responsibility to make sure, that you provide us with all your tax information.**

**The e-file process only sends the basic information from the T2222. Therefore, CRA requests a copy of the full form for the assessment process so that they have all the details necessary to assess your claims.**

**PERSONAL TAX QUESTIONNAIRE**

Please read carefully and complete all sections of the questionnaire.

Name(s): \_\_\_\_\_

Tax Year(s): \_\_\_\_\_

<b>INFORMATION AND SLIPS</b>	<b>YES</b>	<b>NO</b>
Have you included all your T4's, T5's and other information slips?	<input type="checkbox"/>	<input type="checkbox"/>
Have you enclosed your previous year's Notice of Assessment?	<input type="checkbox"/>	<input type="checkbox"/>
Have we prepared your tax return before?	<input type="checkbox"/>	<input type="checkbox"/>

**Please include all Slips and previous Notice of Assessment**

If the information in any block is the same as last year, check "Yes" and skip the block:

<b>PERSONAL INFORMATION:</b>	<b>Information same as prior year's filing?</b>	<input type="checkbox"/> <b>Yes</b>
First Name: _____ Last Name: _____ Mailing address: _____ Postal Code: _____ Social Insurance Number: _____ Date of Birth: _____ (Y/M/D) Phone Numbers: Cell Phone: _____ Home Phone: _____ Email Address: _____ Are you registered for CRA online mail? <input type="checkbox"/> Yes <input type="checkbox"/> No Do you want your email address provided to CRA for online mail? <input type="checkbox"/> Yes <input type="checkbox"/> No		
<b>MARITAL STATUS</b> <input type="checkbox"/> Married <input type="checkbox"/> Living Common-law <input type="checkbox"/> Widowed <input type="checkbox"/> Divorced <input type="checkbox"/> Separated <input type="checkbox"/> Single If changed during the year, please provide the date of change: _____ (M/D)		

<b>SPOUSAL INFORMATION (if applicable):</b>	<b>Information same as prior year filing?</b>	<input type="checkbox"/> <b>Yes</b>
First Name: _____ Last Name: _____ Social Insurance Number: _____ Date of Birth: _____ (Y/M/D) Phone Numbers: Cell Phone: _____ Home Phone: _____ Email Address: _____ Are you registered for CRA online mail? <input type="checkbox"/> Yes <input type="checkbox"/> No Do you want your email address provided to CRA for online mail? <input type="checkbox"/> Yes <input type="checkbox"/> No		



**The following questions must be answered before your return can be e-filed:**

	<b>You</b>	<b>Spouse</b>
Did you sell your residential home or other property in the current year?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are you a Canadian Citizen?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Do you agree to the Canada Revenue Agency providing your name, address and date of birth to Elections Canada to keep the national voters list up to date.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Do you agree to Canada Revenue Agency providing your name, address and email to the territory of Nunavut for the purpose of being contacted about organ and tissue donation to maintain the registry?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Do you own foreign investment property at any time during the year with a cost of more than CAN\$100,000?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Did you own an interest in a foreign affiliate at any time during the year?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

**NORTHERN RESIDENCE DEDUCTION**

Did you live in Nunavut since January 1<sup>st</sup> for the year(s) filing  Yes  No

If you answered **NO**, please provide us with your former address and the date that you moved:

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For northern residence claims, only **1** person per dwelling can claim the full deduction (basic + additional), or everyone can claim the basic amount. If you're unsure what your roommates/housemates will claim, we recommend claiming the basic deduction. **Spouses/family members are considered housemates.**

Did you have housemates or roommates during the year(s) filing?  Yes  No  
 Will you be claiming the basic or full deduction?  Basic  Full

For **spouses**, we will claim the northern residence deduction in a way that maximizes the combined return. Please note if both spouses wish to claim the basic amount regardless of the possible tax benefit:

**TRAVEL DEDUCTION**

You're no longer required to have box 32 reported on your T4 to claim travel. There is a \$1,200 per person standard allowance amount. For example, if you are claiming travel for yourself and a spouse, a maximum amount of \$2,400 could be claimed.

Did you travel in the year(s) filing, that you will claim on your tax return?  Yes  No

If yes, please complete the travel deduction form (page 4 of this document) and please provide any travel supporting documents.

**NOTE:**

Please ensure to retain travel documentation including electronic copies of the final package that is returned to you as it includes the T2222 that is required if CRA requests proof through an assessment letter.

When your return is e-filed only the totals from the various forms are sent to CRA including the T2222 form. CRA requires the full detailed form when they request an assessment because of this. We provide this so that you can reply to the request on your own behalf. You can also ask us to reply on your behalf for an additional fee.



