



Chartered Professional Accountants

March 5, 2021

Dear Client:

Subject: Letter of Engagement for Personal Tax Return (T1-2020)

We appreciate the opportunity to work with you and advise you on income tax matters. It is desirable to have a clear understanding of the terms of our engagement as preparers of your personal tax returns for 2020. Canada Revenue Agency (CRA) imposes penalties upon taxpayers, and upon us as the preparer of the income tax return, for failure to observe due care in reporting information on your income tax returns. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom we prepare tax returns to confirm the following arrangements by signing this engagement letter.

Your Responsibilities to NCCA

1. Accurate information

By signing this letter, it is agreed that you will provide us with accurate & complete information, including changes to your contact information. Completeness includes informing us of all interests you may have held in foreign properties with an aggregate cost in excess of \$100,000.00 (CDN) at any point in the year as well as all income from foreign properties regardless of their aggregate value and all income and transactions relating to non-resident trusts.

You should be aware that the failure to report information slips on your income tax return will be subject to a 20% penalty, if they are not reported prior to the matching period during the summer/fall.

2. Retention of information

It is your responsibility to provide us with all the information required to prepare complete and accurate income tax returns. You should retain all the documents, cancelled cheques and other data that form the basis of your income and deductions for at least six years. This information may be necessary to prove the accuracy and completeness of the return to CRA. You have the final responsibility for the income tax return; therefore you should review it carefully before you sign it or the CRA authorization to electronically file the income tax return. (CRA T183 form)

3. Notices of assessment

If you receive any notices of assessment or other information directly from CRA that differs from what we filed, we request that you provide a copy to us immediately. In many cases, deadlines may apply for a response or objection and, if lost, proposed reassessments or reassessments may be issued arbitrarily, hence missing the opportunity to challenge a ruling. Also, 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. We also request that each taxpayer annually sign a CRA consent form (T1013 form) authorizing NCCA as your tax representative (attached).

4. Circulating the income tax return

Should you have reason to circulate any part of your personal income tax return, it is agreed that this letter should accompany the information being distributed.

5. Personal information

By engaging our services, you have agreed to provide the personal information necessary for us to meet your service requests, either directly or from any other advisor whom you may designate and you have agreed that we have your consent to retain such information for as long as we deem appropriate in order to comply with legislation or our professional obligations. You also agree that you have obtained the consent from others for information collected and provided to us for our use in the personal income tax preparation.

6. Professional Fees

Our professional fees are based upon our standard rates and are due upon receipt so we ask that you make arrangements for prompt payment. Interest will be charged at the rate of 24.00% per annum for any late payments. For your convenience, we are able to accept a Visa or MasterCard over the phone for invoice payments. We also accept email transfers and cheques.

7. Submission of documents

We are able to accept your documents in paper or electronic format. For your convenience, our office will be open Saturdays 9:00 am to 1:00 pm beginning Saturday February 6, 2021 and ending May 1, 2021. Please return this signed & dated letter along with your slips and any other required information. Each tax payer that NCCA will be preparing a T1-2020 for is required to sign. Anyone under the age of 18 can have a parent or guardian sign for them. *Files are completed on a first come first service basis.*

8. Tax Representation Service (optional)

CRA may request copies of your receipts, or they may select your income tax return for audit. Any adjustments proposed by CRA are subject to certain rights of appeal. In the event of such tax examinations, we will be available to assist you in providing additional information or explanations related to the preparation of your personal income tax return. Unless our Tax Representation Service has been purchased for the tax year in question, these services will be provided at an additional charge to you. As a courtesy to our clients, NCCA offers the Tax Representation Service, which provides these services related to the current tax year for a one-time fee. If you wish to protect yourself with this service, please initial in the area provided.

Individual: \$155/ 2020 tax year _____ **OR** **Family: \$270/ 2020 tax year** _____
(Initial) (Initial)

The Personal Tax Representation Service for the 2020 income tax return will remain active as long as you are an NCCA client.

9. Citizenship and residency

If you are a citizen of another country, you have to inform us. If you have a green card or a work permit issued by another country, then you have to inform us and supply us with a copy of this document. If you are a citizen of another country and are required to prepare income tax or other information returns for that country, then this engagement for services does not cover those situations. A separate engagement must be entered into for those services.

All signers Citizens of Canada

Other Citizenship: Name: _____ Citizen of: _____

Name: _____ Citizen of: _____

Work Permits held: _____ (please attach a copy)

10. Completeness of Services

We will complete the income tax return based on the information provided to us by you. When the income tax return is completed we require that you review and approve the return for completeness of content and correctness of detail. We will ask you to sign off on the return at this time if there are no changes to be made. The signing of the T183 form provides us with authorization to file your income tax return.

If you provide us with additional information that requires an adjustment to the income tax return (after it has been filed by us), we may charge you additional fees. It is critical that we obtain all information slips issued to you. If you do not have the slip, then provide us with an estimate of the pertinent amounts and the details so that the April 30, 2021 deadline can be met. Please obtain and provide the missing slips to NCCA as soon as possible.

11. Canada Revenue Agency (“CRA”) Direct Deposit

CRA has switched to direct deposit for all payments that it issues. Direct deposit is convenient, reliable, and secure. The attached CRA direct deposit form must be completed if you have not already done so. **A void cheque or bank stamp is required on the second page.** We can submit this form on your behalf, however, please understand that we do not track bank account numbers on file with CRA. *It is your responsibility to notify CRA of any changes to your banking information.* We are not responsible for any CRA deposit errors or your failure to notify CRA of changes in your banking information. You may also enroll for direct deposit online with CRA MyAccount, CRA mobile application, or by phone – please visit CRA’s website for more information on these other options.

12. Privacy

Our firm 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. 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. All drafts will be password protected unless otherwise directed by you in writing.

13. Suspicious Transactions

Pursuant to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, all accountants in Canada are required, in certain circumstances, to report any “suspicious transactions” to the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC), a government agency. Suspicious transactions are transactions which may relate to money laundering and the financing of terrorist activities.

14. Civil Penalties

You hereby agree to indemnify, defend (by counsel retained and instructed by us) and hold harmless NCCA LLP and its partners, agents or employees, from and against any and all losses, costs (including solicitors’ fees), damages, expenses, claims, demands or liabilities arising out of or in consequence of:

- The breach by you or your family members of any of the covenants made by you herein, including, without restricting the generality of the foregoing, the misuse of, or the unauthorized dissemination of the income tax return, or any other work product made available to you by our firm;

- The services performed by NCCA LLP pursuant to this engagement, unless, and to the extent that, such losses, costs, damages and expenses are found by a court of competent jurisdiction to have been due to the negligence of NCCA LLP. In the event that the matter is settled out of court, we will mutually agree on the extent of the indemnification to be provided by you.

15. Tax Payments and Remittances

In certain instances, our firm will be requested to forward tax or other such payments to tax authorities on behalf of you and your family. This may include personal tax payments or installments, payroll tax remittances, including source deductions, EHT or WSIB payments, or GST/HST or other sales tax remittances. We will provide this service for your convenience, but our firm takes no responsibility for delivery delays by the post office or courier company or processing delays experienced at the taxing authority. Please be advised that any unpaid installments due to the CRA can incur a penalty. You will be advised in your covering letter what your installment requirements will be for the 2021 tax year, once the T1-2020 has been completed. Also, the CRA will charge 5% interest on any amounts that remain unpaid after April 30, 2021.

Online payments are available to the CRA through all major Canadian financial institutions. You will require your SIN in order to make this payment.

We will not reimburse you for any interest charges or late-filing penalties due to such delays that are beyond the control of our firm.

NCCA Responsibilities to You

1. We will prepare your 2020 personal income tax return 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. We wish to emphasize that our engagement cannot be relied on to prevent or detect errors or other irregularities in the information provided to us. The responsibility remains with you.

Personal tax returns are input with the following communication: Prepared without audit from information supplied by the taxpayer.

This communication will also appear with the name NCCA LLP as your personal income tax return preparer.

2. 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 [describe form or schedule] from information provided by [name of the taxpayer]. We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information. Readers are cautioned that [described form or schedule] may not be appropriate for their purposes.

NCCA LLP
Calgary, Alberta

Should you have reason to circulate such forms or schedules with or separate from the income tax return, you agree that this report shall also be included with the circulated document and that you will provide us with the name(s) of the party (or parties) to whom they are circulated.

3. If your file is selected for review or audit, at your request we will communicate with CRA on your behalf. The fee for this is dependent on your selection & payment of the Tax Representation Service.
4. Attached is a personal tax checklist to help you get organized.
5. Please try to get your slips and information to us before April 1, 2021 or as soon as you have received all of your investment slips. **Information coming in after April 23, 2021 may be subject to additional fees and we cannot guarantee that it will be filed on time before April 30, 2021.** *Income tax returns are prepared on a **first come first served basis**. Note that only **complete information** will be marked received and added to the queue for preparation therefore, please review the checklist (page 6) to ensure your information is complete before you bring it in.*

If this letter accurately reflects your understanding, please acknowledge your agreement by signing below and returning it to us along with your personal tax information. Please feel free to call us with any questions or concerns at (403) 209-2248 or email tax@ncca.co.

Thank you for your trust in our business.

Sincerely yours,

NCCA LLP

NCCA LLP

Client Acceptance of Engagement

The above letter dated March 5, 2021 correctly sets forth my understanding of the terms of engagement between NCCA LLP and me with respect to my 2020 personal income tax return.

Print Name: _____ Signature: _____

Print Name: _____ Signature: _____

Print Name: _____ Signature: _____

Print Name: _____ Signature: _____

Print Name: _____ Signature: _____

(One letter per tax family – if the taxpayer is under 18 as of December 31, 2020 - please have the parent sign on behalf of child)

Checklist Reminder

<input type="checkbox"/> Reviewed and completed the Personal Tax Checklist (attached) <input type="checkbox"/> Provided all slips & applicable information (based on your responses in the checklist) <input type="checkbox"/> Initialed for Tax Representation Service <input type="checkbox"/> Opt out <input type="checkbox"/> Signed & dated this Engagement Letter – 1 letter per family <input type="checkbox"/> Signed CRA Authorization form (New clients only) – 1 form per taxpayer <input type="checkbox"/> Completed Direct Deposit Enrolment form <input type="checkbox"/> Already signed up <p>We will email you a draft of your personal tax return for your approval. Please note that we cannot E-file your income tax return, until we receive your tax return and T183 form signed and returned to the Admin Staff. Instructions will be sent with your draft personal tax return.</p>
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Final Delivery Instructions to Admin staff for your personal tax package:

- PDF & E-mail to this address: _____
- Notify me for pickup

CRA online mail: Already registered

- Yes sign me up - email address: _____
- No, I would like to receive paper notice of assessments and reassessments through Canada Post (note that this option is NOT available if you have already registered to receive email notifications)

The phone is generally very busy at this time of the year & we suggest that you email any information to the following Admin staff.

Admin Staff: tax@ncca.co

Thank you.
Adrian Nagy and The Personal Tax Team at NCCA