



KGR BOOKKEEPING SERVICES

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<http://kgr-bookkeeping.vpweb.ca/>

KGR Bookkeeping Services Engagement Agreement

An electronic version, scanned copy, photocopy, or facsimile of this authorization is considered as valid as an original copy.

****PLEASE NOTE FOR TAX PREPARATION & FILING ONLY****

MANDATORY SIGNATURE (electronic or wet) is required for KGR Bookkeeping Services Engagement Agreement prior to CRA submission.

The purpose of this agreement is to confirm the terms, nature, and extent of professional services KGR Bookkeeping Services (us, we, our) and any person(s) providing services on our behalf have been engaged to provide to you (Taxpayer/Client). This agreement clearly defines our respective obligations and responsibilities in providing professional services, including but not limited to bookkeeping, training, consulting services, T1 individual income tax returns preparation; and your responsibilities as the taxpayer.

There are also severe civil penalties under the Income Tax Act for misrepresentation by tax professionals arising from the preparation of client tax returns. Therefore, it is a fundamental term of our engagement that you fully comply with all of the responsibilities that you agree to assume as set out below.

The services and terms are as agreed between the Tax Preparer: KGR Bookkeeping Services/Kristen Robert & the Taxpayer/Client as declared at the bottom of this agreement, if applicable, acting as an authorized representative of Company, as declared at the bottom of this agreement, whom acknowledge and accept the responsibilities as the taxpayer as outline below.

It is understood and agreed that

(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 KGR Bookkeeping Services is, to your knowledge correct and complete, and fully discloses all of your reporting requirements under the Income Tax Act. The financial statements are the representation of management, and management is responsible for their accuracy and completeness; you will supply the accurate and complete information necessary to compile the statements.

(b) If, during the minimal study entailed in compilation, KGR Bookkeeping Services learns of any matter that, in our opinion, would cause the financial statements and tax return forms to be misleading if not disclosed, it will be disclosed in the financial statements, or KGR Bookkeeping Services will be required to withdraw from the engagement.

(c) We will not audit, review, or otherwise attempt to verify the accuracy or completeness of any information provided. It is up to your responsibility alone to provide us with accurate and complete information necessary to prepare such personal income tax return.

(d) If you owned certain property outside of Canada totalling more than \$100,000 at any time during the tax year, it may be necessary for you to declare such ownership in your tax return. It is your responsibility to provide accurate and complete information to KGR Bookkeeping Services on eligible foreign properties based on the T1 Foreign Property Reporting Disclosure section of this agreement. You are also responsible to notify KGR Bookkeeping Services when there are any changes to your foreign property disclosure. There are substantial fines and penalties for noncompliance.

(e) You are not aware of any illegal or possibly illegal acts for which you have not disclosed to KGR Bookkeeping Services all facts related thereto.

(f) You confirm that you have provided KGR Bookkeeping Services with all income and deduction items to be included in your financial statements and tax returns and that they are correct and complete. You confirm that all sources of income have been disclosed, all deductions were reasonably incurred to earn income, and all credits to be claimed by you are supported by receipts. All estimates for personal use of an automobile or truck, business portion of residence, and other such estimates you provide are reasonable and supported by usage logs and other evidence. In short, you agree that all information, income and deduction items that you provide us to be included in your tax return will be, to the best of your knowledge correct and complete.

(g) If requested by you, we will assist you in providing additional information or explanation related to our preparation of your return should any taxation authorities subsequently request it. Services as such are provided at additional service fees to tax payer; taxpayer will be notified of additional fees prior to services rendered.

(h) KGR Bookkeeping Services' liability on consultation services: including but not limited to recommendations, advice, suggestions, referrals; provided to client are limited to written non-verbal form of communication AND limited to paid consultation services.

(i) KGR Bookkeeping Services is not liable for archiving of documents and information obtained during the course of client engagement; it is the client's responsibility to make arrangements for obtaining documents and information before calendar year-end of invoice date.

(j) KGR Bookkeeping Services is not liable for the safekeeping and archiving of information stored on third party applications, including but not limited to Verifyle®, a complimentary third party application provided to client. KGR Bookkeeping Services acts solely as an intermediary in providing client(s) access to third-party applications. Unless otherwise stated in a written agreement with KGR Bookkeeping Services, KGR Bookkeeping Services will permanently delete any documents sent in third-party document sharing/management application(s) within thirty (30) days of the electronic filing of client's return(s). It is the

client's responsibility to obtain documents and information from the third-party document application(s) before they are permanently deleted.

(k) KGR Bookkeeping Services may compile financial statements and tax return forms as arranged from time to time from information provided by you. KGR Bookkeeping Services will not perform an audit or a review engagement on such information. Unless unanticipated difficulties are encountered, KGR Bookkeeping Services' report will be substantially in the following form: KGR Bookkeeping Services' engagement should not be referred to as an audit, since it will not fulfill any statutory, contractual or other audit requirements, nor will it fulfill any requirements for financial statements that are prepared in accordance with Canadian generally accepted accounting principles. In view of the limited nature of the engagement, Taxpayer/Client may wish to obtain legal advice regarding any statutory or contractual requirements.

(l) Financial statements, income tax return, and any schedules prepared by us may include the following statement "Prepared without audit or review from information provided by the taxpayer" or may be marked "Unaudited- see Notice to Reader". Financial statements will either carry KGR Bookkeeping Services' notice to reader or refer the reader to it, and the financial statements must not be circulated without KGR Bookkeeping Services' marking and notice.

(m) Because the financial statement may lack disclosure required by, or otherwise not be in accordance with, Canada generally accepted accounting principles, they may not be appropriate for general purpose use; uninformed readers could be misled unless they are aware of the possible limitations of the statements and KGR Bookkeeping Services' very limited involvement.

(n) Financial statement compilation procedures do not include procedures designed to detect fraud or error, and management is responsible for the design and implementation of internal controls to prevent and detect fraud and error.

(o) KGR Bookkeeping Services may also prepare the necessary Federal and Provincial income tax returns and supporting schedules, carrying out any bookkeeping necessary to affect the compilation, and perform such related services as may be agreed time to time. We may also, at an additional fee, provide you with any tax advice or services as you may request or we may recommend to you.

(p) In order to compile the financial statements pursuant to this engagement, KGR Bookkeeping Services will prepare various working papers. KGR Bookkeeping Services will retain ownership of all working papers which may use in any manner KGR Bookkeeping Services deems appropriate, while respecting your confidentiality.

Engagement Service Period & Termination

Right to Terminate. This service engagement agreement terms will remain in effect for all tax years for which services are rendered should you choose to continue this engagement, unless amended in writing (including email notice) by both parties or terminated by written notice (including email notice) from either party, with minimum 30 days notice period required; or replaced by updated version of signed agreement. Upon termination of this engagement, KGR Bookkeeping Services will invoice you for any unbilled fees and expenses. Further, you agree to pay your account to the date of termination upon receipt of KGR Bookkeeping Services' invoice.

Limitations of Liability

Our engagement cannot be relied upon to prevent or detect fraud, error or other irregularities. The responsibility for the prevention and detection of fraud, error or other similar irregularities in your financial information must remain solely with you. Accordingly, you agree that neither we, nor our professional staff, shall have any liability, in contract or tort, negligence or otherwise, for failure to detect and report any fraud or error that may be occurring or have occurred within your Company.

You expressly acknowledge and agree that we shall have absolutely no liability, in contract, tort, negligence or otherwise in the preparation of your income tax return for an income taxes, penalties, interest or costs or other damages or loss incurred by you as a result of any error in your representation and disclosures that you have agreed to as set above. You also agree to hold harmless and indemnify us from any penalty costs arising pursuant to Section 163.2 of the Income Tax Act as a consequence of false or otherwise incorrect information supplied by you or your agents to us for the purpose of providing any taxation services to you, including but not limited to tax planning or the preparation and filing of income tax returns on your behalf.

You expressly acknowledge and agree that we shall have absolutely no liability, in contract, tort, negligence, or otherwise in the preparation of your income tax return for an income taxes, penalties, interest or costs or other damages or loss incurred by you as a result of any error or incompleteness of your income tax return. Before filing, you are given the opportunity to thoroughly review your return for any errors or incomplete information and notify us immediately of any corrections needed. It is emphasized that the responsibility for the prevention and detection of error, fraud, or irregularities remain with you and any liability remains with you.

You agree that any and all claims you have against our firm or its professional staff arising out of all services provided to you by us, whether in contract, negligence, or otherwise known to law, shall be regarded as one claim and any liability to you shall be limited to the amount of \$500.

You agree that our liability for all claims you may have or bring in connection with the preparation to any tax filing with any government authority shall absolutely cease to exist within one year of each tax preparation service, regardless of whether you were aware of the potential for making a claim against us within that period. Following the expiration of the aforesaid period, you agree that neither you, your agents or assigns shall make any claim or bring proceeding against us.

Other Matters

KGR Bookkeeping Services will electronically file your tax return or provide you with a mailing copy. If you wish us to electronically file your income tax return, you will be required to execute the appropriate forms required by the CRA before we may do so.

You will not mail or deliver to the CRA you return, or instruct us to electronically file your tax return, until you have reviewed your proposed tax return and confirmed that to the best of your knowledge, all income and deductions you have advised us of have been included. If you have any doubt as to your ability to come to this conclusion, we will personally review and verify with you each of the pages and schedules forming your personal tax return. You agree to maintain all of your tax returns, personal record and documentation arising out of this engagement for a minimum period of at least seven (7) years following the completing of your personal tax return. The CRA can request documentation for up to six from the end of the last tax year, however

there may be documents from before these years needed to complete future year returns (i.e. capital asset purchase price for disposal) or other governing bodies may require financial records to be kept longer. You acknowledge the understanding that you are solely responsible for the retaining and providing of any documentation requested by CRA. KGR Bookkeeping Services is not responsible or liable for maintaining supporting records and documents related to your personal tax return.

Fees

The fees for our services will be based on the complexity and nature of the work and the degree of responsibility and skill required, and time spent on the engagement. Upon completion of your income tax return or after providing advice or other services to you, we will render you our account for services at our currently advertised rates on kgr-bookkeeping.vpweb.ca. You agree that this invoice will be paid to us upon receipt and prior to submission of services results. Any disbursements will be added to KGR Bookkeeping Services' invoice. Any amounts outstanding will be charged late payment fee and interest at 3% penalty fee, penalty fees will be applied to any unpaid balances 5 days after due date. Balance payment date is when physical payment is received by KGR Bookkeeping Services in form of cash, cheque or bank/email transfers.

Confidentiality

KGR Bookkeeping Services confirm duty of confidentiality with respect to client affairs. Accordingly, except for information that is in the public domain, KGR Bookkeeping Services will not provide any third-party with confidential information concerning the affairs of the Taxpayer/Client/Company without the Taxpayer/Client/Company's prior consent, unless required to do so by legal authority. Further, in order to complete the engagement, KGR Bookkeeping Services will require access to certain personal information. You hereby represent to us that you have obtained all consents that are required under applicable privacy legislation for the collection, use, and disclosure to us of personal information. KGR Bookkeeping Services will manage all personal information in compliance with its privacy policies.

During the course of our engagement, we may also have access to personal information of your employees or third persons within your custody. You confirm that in maintaining this personal information you have complied with all applicable statutory and other legal obligations of privacy. We will hold any such personal information in complete confidence in accordance with our professional obligations and our own privacy policies.

Privacy and Communication Related Policies

You have reviewed the terms and conditions of the following policies in details, and you understand and agree with the terms and conditions of KGR Bookkeeping Services' policies:

Personal Information Protection Policy (Privacy Policy) – kgr-bookkeeping.vpweb.ca/policies

Communication Policy - kgr-bookkeeping.vpweb.ca/policies

Document Management & Retention Policy - kgr-bookkeeping.vpweb.ca/policies

T1 Foreign Property Reporting Disclosure

Canadian resident individuals who held certain property outside Canada with a TOTAL COST of more than \$100,000 CAD at any time during the tax year are subject to certain disclosure requirements to the Canada Revenue Agency (CRA).

Non-compliance with this reporting requirement results in severe penalties. Please notify us if you hold a TOTAL COST of more than \$100,000 CAD comprised of below ***specified foreign property***.

****It is your responsibility to provide accurate and complete information to KGR Bookkeeping Services on eligible foreign properties based on the T1 Foreign Property Reporting Disclosure section of this agreement. You are also responsible to notify KGR Bookkeeping Services when there are any changes to your foreign property disclosure. There are substantial fines and penalties for noncompliance.*

If you missed reporting in past years, Voluntary Disclosure Program (VDP) may be available as a second chance to correct your taxes with potential penalties & prosecution relief. It is your responsibility to notify and make arrangements if you need to correct or disclose foreign properties with total costs exceeding \$100,000 CAD for prior years.

What property do you have to report?

You are required to report all specified foreign property in accordance with subsection 233.3(1) of the Income Tax Act which includes:

- funds or intangible property (patents, copyrights, etc.) situated, deposited or held outside Canada;
- tangible property situated outside of Canada;
- a share of the capital stock of a non-resident corporation held by the taxpayer or by an agent on behalf of the taxpayer;
- an interest in a non-resident trust that was acquired for consideration, other than an interest in a non-resident trust that is a foreign affiliate for the purpose of section 233.4 of the Act;
- shares of corporations resident in Canada held by you or for you outside of Canada;
- an interest in a partnership that holds a specified foreign property unless the partnership is required to file Form T1135;
- an interest in, or right with respect to, an entity that is a non-resident;
- a property that is convertible into, exchangeable for, or confers a right to acquire a property that is specified foreign property;
- a debt owed by a non-resident, including government and corporate bonds, debentures, mortgages, and notes receivable;
- an interest in foreign insurance policy; and
- precious metals, gold certificates, and future contract held outside Canada.

Specified foreign property ***does not include***:

- a property used or held exclusively in carrying on an active business;
- a share of the capital stock or indebtedness of a foreign affiliate;

- an interest in a trust described in paragraph (a) or (b) in the definition of “exempt trust” in subsection 233.2(1) of the Act;
- a personal-use property as defined in section 54 of the Act; and
- an interest in, or a right to acquire, any of the above-noted excluded foreign property.

Complete Agreement

This service engagement agreement comprises the complete and exclusive statement of the agreement between the parties, superseding all proposals oral and written and all other communications, all other provisions shall remain in force.

KGR Bookkeeping Services shall be pleased to discuss the contents of this letter with you at any time, and to explain the reasons for any items. If the above terms are acceptable to you, and the services outlined are in accordance with your requirements, please sign the copy of this letter in the space provided and return it to us.

_____ **By initialing, I am consenting to receiving communication (i.e. mail, email, text messages, etc.) that may include company news, updates, related product or service information, etc. If at any time I would like to no longer receive communication, I will provide written notification to KGR Bookkeeping Services.**

_____ **By initialing, I have reviewed & acknowledged the terms and conditions of KGR Bookkeeping Services’ policies in detail at kgr-bookkeeping.vpweb.ca/policies: Personal Information Protection Policy (Privacy Policy), Communication Policy, Document Management & Retention Policy; and I hereby agree with the term and policies of KGR Bookkeeping Services’.**

_____ **By initialing and completing below, I acknowledge that I have reviewed the above Service Engagement Agreement terms and conditions, and I hereby acknowledge & accept the complete agreement:**

Taxpayer/Client Full Name (Printed)

Taxpayer/Client Signature

Signing Date

Business Information (enter NA if not applicable):

Business Name

Business Number

Business Year End

MANDATORY FOR MINORS ONLY

If under the age of 18, signature must be provided by both MINOR Taxpayer/Client AND Parent/Legal Guardian

Parent/Legal Guardian Full Name (Printed)

Parent/Legal Guardian Signature

Signing Date

