

## Engagement letter — Bookkeeping engagement



# Thomas Tang

**Licensed Public Accountant  
Chartered Professional Accountant**

**DATE:**

**YOUR COMPANY NAME:**

**YOUR PERSONAL NAME:**

**ADDRESS:**

**PHONE:**

**EMAIL:**

Dear [Client]:

This letter confirms the terms of my appointment as your accountant and it outlines the terms, nature, and extent of the services I will be providing.

I will perform such bookkeeping functions as are required to maintain your accounting records in a proper manner. I will not produce financial statements or income tax returns during this engagement. Should you require that I prepare financial statements, a separate engagement would be required. The services provided under this engagement are not designed to detect fraud or error; you will supply all necessary information and will be responsible for its accuracy and completeness.

I will maintain a general ledger, accounts receivable ledger, accounts payable ledger, and a payroll register for your company. You will review and approve all journal entries, transaction classifications, and account codes determined or changed by My firm. Without limiting the extent of the work I may provide for you, I will perform the following functions at the specified intervals:<sup>1</sup>

### **Bi-weekly**

- Produce payroll cheques for your approval from time records and other information provided by you.

### **Monthly**

- Produce cheques for payment of supplier accounts from invoices provided and coded by you;
- Produce cheques and related reports for payroll deductions and benefits;
- Record sales and taxes collected from invoices prepared by you;
- Record bank transactions from bank statements and deposit records provided by you;
- Post other transactions from information provided by you;
- Reconcile selected accounts; and
- Provide you with an update of the general ledger, accounts receivable and payable ledgers, and payroll records.

### **Quarterly**

- Prepare GST/HST return.

### **Annually**

- Prepare employee T4 reports.

My fees are based on the complexity and nature of the work and the degree of responsibility and skill required. Any disbursements will be added to My invoice. All billings are due upon presentation, unless other arrangements have been made in advance. A charge of 2% per month (24 % on an annual basis) applies to overdue accounts.

In order to complete our engagement, I 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. I will manage all personal information in compliance with My Privacy Code.

[NOTE: This paragraph is optional. Refer to footnote<sup>2</sup> and to PPM file 320, *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA) — Guidelines for compliance.*]

The *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* places certain legal requirements on My firm to report transactions that may be suspicious of being related to a money laundering or a terrorist financing offence. It also requires My firm to report large cash transactions equal to or greater than \$10,000, the cross-border movement of currency or monetary instruments equal to or greater than \$10,000, and whether I am in possession or control of property that is considered terrorist property. Finally, the *Act* requires My firm to ascertain the identity and existence of clients and other entities. To meet these obligations, My firm may have to report information about [client] that might otherwise be confidential. The reporting of this information may place [client] and My firm in a conflict of interest. Should such a conflict arise, My firm may be required to withdraw from this engagement. Please be advised that only information that is required under the *Act* will be disclosed. You hereby acknowledge this legal requirement placed upon My firm and the potential conflict of interest that may arise as a result of it. You also hereby authorize My firm to release and disclose information related to [client] if and when required by statute to do so.

The above terms will remain in effect from year to year unless amended in writing by both parties or terminated by written notice from either party. Upon termination of this engagement, I will invoice you for any unbilled fees and expenses. Further, you agree to pay your account to the date of termination upon receipt of My invoice.

I 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.

Yours truly,

[Signed] \_\_\_\_\_  
Chartered Professional Accountant

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The services set out in the foregoing letter are in accordance with my requirements. The terms set out are acceptable to us and are hereby agreed to.

\_\_\_\_\_  
[Date]

[Signed] \_\_\_\_\_  
[Name and title]

\_\_\_\_\_  
[Date]

[Signed] \_\_\_\_\_  
[Name and title]