
Engagement letter – non-business individual and family

Date:

Name

Address:

Dear

Thank you for your instructions to attend to the taxation requirements for yourself and your family. This letter sets out our terms of engagement. Please read it and make sure that you understand the scope of our engagement.

If the terms of our engagement are acceptable, please sign the enclosed copy of this engagement letter and return same to our office. Please contact this office immediately if you do not understand, or wish to discuss, any aspect of the terms of this engagement.

If you do not forward your signed copy of the engagement letter nor contact us with changes to the engagement, yet continue to provide us with information and instructions regarding your financial affairs, the terms and information provided in this letter will bind us both.

Purpose and scope of engagement

Our engagement is to prepare and lodge the annual income tax returns for yourself and your family.

As agreed, our services will be provided to you on a fee for service basis* based on the following hourly rates for members of our firm.

Note(*): Where a contract fee is to be paid, substitute "The agreed fee for the services covered by this engagement is \$.". See also "Additional Services" (below)

The attached schedule also details the terms of payment for this engagement.

This letter relates only to the abovementioned service and details the basis and terms of this engagement.

Basis of engagement

As previously discussed, our engagement is to assist with the lodgement of the taxation requirements for yourself and your family.

We expect that all relevant information will be collated and forwarded to our office by *[insert date]*. We shall detail more specific requirements in respect of the individual tax returns in the next paragraph.

Documentation

Before we lodge any tax returns on your behalf, we will forward them to you for approval and signing. We will endeavour to ensure that the returns are lodged by the due dates and will confirm to you at the beginning of the financial year when documentation should be provided to us. If you are late in providing information, we will do our best to meet the time limits, but we will not be responsible for any lodgement penalties you may incur.

Ownership of documents

The tax returns, which we are specifically engaged to prepare, together with any original documents given to us by you, shall be your property. Any other documents brought into existence by us, including general working papers, the general ledger and draft documents, will remain our property at all times.

If our services are terminated, we shall be entitled to retain all documents that we have prepared or hold until payment in full of all outstanding fees.

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Additional services

Our agreed fee is only for the preparation and lodgement of the taxation matters detailed above.

Any additional services or advice that you requested are not included in this agreed fee. These services will be charged on the basis of the time and degree of skill and acumen required to complete the task undertaken by us, including any direct out-of-pocket expenses. Please note, any correspondence from the Australian Taxation Office that does not relate to initial assessments or original payment notices will be treated as additional services.

We shall now outline the basis of our engagement in the context of the specific services to be provided.

Income tax returns

This firm has been engaged to prepare and lodge income tax returns for yourself and your family.

In addition to the basic financial information required to complete these tax returns, it is expected that the source documentation will be available to allow this firm to analyse the income tax implications of any transaction.

It is also expected that, in respect of individual income tax returns, each person will comply with the substantiation provisions of the Income Tax Assessment Act.

We will specifically advise as to the requirements of the substantiation provisions relating to your income tax return and of the necessity to obtain acceptable receipts as specifically required by the legislation.

From time to time, this firm prepares templates and schedules to assist with the collation of information to complete income tax returns.

These will be provided free of charge.

The fee for this service does not cover any inquiries or investigations conducted by the Australian Taxation Office.

Confirmation of engagement

Obviously, there are many issues to consider in this engagement and we ask that you consider all aspects of this letter to ensure that you are satisfied with the scope of our engagement.

Please contact us if you have any queries about this letter.

As mentioned above, if you do not forward your signed copy of the engagement letter, nor contact us with changes to the engagement, yet continue to provide us with information and instructions regarding your financial affairs, the terms and information provided in this letter will bind us both.

Once you are satisfied with the terms of our engagement, would you please sign and date both copies of this letter.

One copy should be forwarded to us as evidence of your acceptance of the terms of our engagement. You should retain the other copy as your evidence of our engagement.

We thank you for the opportunity to provide accounting and taxation services to you and your business and we look forward to developing a close accounting relationship with you for many years to come.

Yours sincerely,

Acknowledgment of terms of engagement

I, confirm that I understand and agree to your terms of engagement.

Dated the day of .

.....
[signature]

.....
[insert name]

