Bookkeeping engagement letter (blank)

Not legal advice. This is a starting point for a Canadian bookkeeping or personal-tax practice. Have your lawyer or professional indemnity insurer read your final letter once. Rules differ by province and change. The filled example uses invented people and an invented café. Do not treat the sample figures as a fee recommendation.

1. Who this letter covers

This letter is between [Firm legal name] ("we") and [Client legal name] ("you"), carrying on business as [trading name] in [province]. It covers bookkeeping for that business only. A personal tax return, a corporation, or any other person is a separate letter unless we name them here: [none / names].

2. The cycle

We will keep the books [monthly / quarterly]. You send records by the [5th] of the following month. If we have what we need by that date, we deliver the [profit and loss and balance sheet] by the [15th]. A late package moves the delivery date. We will say so, rather than guess the missing month.

3. What we will do

Record and categorise transactions from the bank and card accounts listed in the intake. Reconcile those accounts to the statement. Record sales and purchase invoices you send. Send one list of missing receipts or unexplained amounts. Prepare the reports named above. We will not recode a prior period inside this fee.

4. What you will do

Give us advisor access to the bookkeeping software, not your own login. Keep business and personal spending apart. Answer the question list within [5] working days. You remain responsible for the completeness of the records.

5. Volume and fee

The fee is $[amount] per [month], assuming up to [number] transactions, [number] bank accounts and [number] cards. If volume is higher for [two] months in a row, we will agree a new fee with you before the next invoice. Invoices go out [monthly], due in [14] days. We may pause work on an overdue account after notice.

6. Prior periods

Work for months before [start date] is a separate quote. We will not fold catch-up into the monthly fee unless this letter says the catch-up is included, with its own fee: [not included].

7. GST/HST and QST

You decide whether to register, and you are responsible for registering. We will tell you if the records suggest you have crossed the small-supplier threshold, which for most businesses is $30,000 of taxable supplies in one calendar quarter or over four consecutive quarters (CRA). Revenu Québec describes a $30,000 small-supplier threshold for the QST as well; confirm the current wording on its small-suppliers page before you rely on it. Charities and public institutions use different CRA tests.

For this engagement: we [will / will not] prepare the GST/HST return. We [will / will not] prepare the QST return. You approve the return before it is filed. We file only if you have authorized us. You pay the balance. Filing sales tax is [included in the monthly fee / billed at $[amount] per return].

8. Authority with the CRA and Revenu Québec

You authorize us in CRA My Account, or we send a request in Represent a Client and you confirm it. Form AUT-01 is for offline access only (phone, mail, fax, in person) and does not give online access. For Revenu Québec, give the authorization in My Account for citizens, My Account for businesses, or through a professional representative account. The paper form for an authorization or power of

attorney is MR-69. Online is faster. We will not contact the tax authority about you until that authority shows us as authorized.

9. Your information

We use your personal information to do the work in this letter. We store it with service providers we have assessed. Some of them may keep data outside Canada. We protect it with access controls and multi-factor authentication. If a breach creates a real risk of significant harm, we will tell you and report it as the law requires.

Quebec only, delete if it does not apply: the person in charge of the protection of personal information is [name, title, email, phone]. That title and those contact details are also on our website.

Most private-sector firms in Canada follow PIPEDA. Alberta, British Columbia and Quebec have their own private-sector laws. This clause is a summary for the letter, not a privacy program.

10. AI tools, delete if you do not use them

We may use AI tools to help categorise transactions, draft correspondence and summarise documents. A person on our team reviews the output before we rely on it. We do not use your information to train public AI models. Tell us if you do not want AI tools used on your file and we will not use them.

11. What this work is not

Bookkeeping is not an audit or a review. It will not necessarily find fraud or error. We do not give legal advice. A notice, review or audit from the CRA or Revenu Québec is outside this letter unless we agree to it in writing, with its own fee.

12. Ending the work

Either of us may end this letter on [30] days' written notice. You pay for work done to that date. We will return records that belong to you and keep our working papers for the period the law requires. You keep your business records for six years.

Acceptance

Signed: _____ Name: _____ Position: _____ Date: _____
I am authorised to sign for [Client legal name].

Bookkeeping example: Hale Street Café (invented)

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Example, invented

Jordan Hale, carrying on business as Hale Street Café, 1200 Example Avenue, Northville, Ontario, A1A 1A1. One owner. No corporation. This sample is fiction, including the fee.

Cycle and fee

Monthly. Records by the 5th. Profit and loss and balance sheet by the 15th if the records arrived on time. Fee $450 a month, for up to 400 transactions, two bank accounts and one credit card. Two higher months in a row means a new fee, agreed first. Invoices monthly, due in 14 days. Catch-up before 1 January 2026 is not included.

Sales tax

Jordan registered for GST/HST after one busy quarter. We prepare the GST/HST return, Jordan approves it, we file it, Jordan pays the CRA. QST does not apply. One return is included in the $450. We are authorized in My Account. We do not use AUT-01.

Privacy and AI

The firm uses an AI assistant to draft the question list. A person sends the list. Jordan can opt out. The firm is in Ontario, so the Quebec privacy-officer sentence is deleted.

Personal tax engagement letter, T1 (blank)

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1. Who and which year

This letter is between [Firm legal name] and [Taxpayer legal name], for the [20XX] tax year only. A spouse or common-law partner is a separate engagement unless named here: [not included / name]. A corporation is not included.

2. Returns in scope

We will prepare the T1 income tax and benefit return and the [province] return, including these schedules if they apply to the slips you send: [employment / business / rental / capital gains / none other]. Quebec residents also file a TP-1 with Revenu Québec. The TP-1 is [included / not included]. If it is not included, you file it yourself or under another letter.

3. Slips and receipts

Send slips, receipts and the year's business summary by [15 March]. If they arrive after that date we may file late or file an extension where one exists, and any penalty or interest is yours. We will tell you what is still missing. We will not invent a number. Any estimate is agreed with you in writing first.

4. Form T183

We send you the return and Form T183. You review both. You sign T183. Only then do we transmit. T183 is for this tax year, it has to be signed before transmission, and both of us keep a copy for at least six years. Do not send T183 to the CRA unless they ask. If a correction changes the refund or the balance owing by more than $300, we need a new signed T183 before we retransmit.

5. Deadlines

For most people the return and any balance are due on 30 April. If you or your spouse or common-law partner is self-employed, the filing deadline is 15 June, and the balance is still due on 30 April. The CRA's dates for the 2025 tax year are 30 April 2026 and 15 June 2026. Use the dates for the year this letter covers, from the CRA's due-dates page, and write them here: file by [date], pay by [date].

6. Foreign property

Tell us if the total cost amount of your specified foreign property was more than $100,000 at any time in the year. That is Form T1135. Cost amount is generally what you paid, not today's market value. A property you only held for part of the year still counts. We prepare T1135 only if this letter says so: [included / not included, quoted separately].

7. How the return is filed

Since 1 January 2024, a preparer who is paid to prepare more than five T1 returns in a calendar year has to file them electronically, with a possible $25 penalty for each paper-filed T1. We e-file for that reason. You still sign T183 first.

8. After the return is filed

A CRA or Revenu Québec review, audit or reassessment is outside this letter unless we agree in writing, with its own fee. You are responsible for the accuracy of the information. You keep your records for six years.

9. Fee

The fee is $[amount], payable [on delivery of the draft return / on filing]. A TP-1, a T1135, or a second person is extra unless the scope above includes it. Out-of-scope work is quoted before we

start.

10. Privacy and AI

Same privacy terms as our bookkeeping letter: we use your information to prepare this return, some providers may store data outside Canada, and we report a breach that creates a real risk of significant harm. Quebec: our person in charge of personal information is [name, title, contact]. We may use AI tools to summarise slips. A person reviews the return before you sign. Say if you do not want AI tools used on this file.

Acceptance

Signed: _____ Name: _____ Date: _____

T1 example: Jordan Hale, 2025 (invented)

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Example, invented

Jordan Hale, 2025 tax year, Ontario. Self-employed, Hale Street Café. No spouse on this letter. No rental, no capital gains expected. TP-1 not required. Fee $380, payable when the draft return is sent. Fiction, including the fee.

Dates

Slips and the café summary by 15 March 2026. Because Jordan is self-employed, file by 15 June 2026. Any balance is still due 30 April 2026. We do not transmit until Jordan has signed the 2025 T183.

Foreign property and reviews

Jordan tells us if specified foreign property cost more than $100,000 at any point in 2025. T1135 is not in the $380. A CRA review letter is a new engagement.