

ENGAGEMENT LETTER – INDIVIDUAL

Thank you for your instructions to attend to the taxation requirements for yourself. This letter sets out our terms of engagement and the scope of the work to be performed by Carol Kalleske Taxation & Accounting within that engagement. Please read it carefully and contact this office immediately if you do not understand, or wish to discuss, any aspect of the terms of this engagement.

With effect from 1 March 2010, a new regime for the regulation of tax agents has taken effect under the *Tax Agent Services Act 2009* and accompanying legislation (**TASA**). The new regime has implications for registered tax agents and also for their clients.

An important feature of TASA is the provision of a “safe harbour” protection from penalties in certain circumstances for taxpayers who engage registered tax agents.

To obtain the benefits of “safe harbour” protection, the legislation requires the taxpayer to provide the registered tax agent with “all relevant taxation information” to enable accurate statements to be provided to the Australian Taxation Office. This requirement may be important to both parties in identifying and understanding the purpose and scope of the engagement as set out below and may also affect other matters discussed below.

You will find further discussion on the “safe harbour” protections in the accompanying document.

We inform you of your obligations to the ATO and to us as the Tax Agent and obligations to the Tax Practitioner Board (TPB). A fact sheet providing further information produced by the Tax Practitioner Board is available via the TPB website named ‘information for clients’.

Purpose and scope of engagement

Our engagement is to prepare and lodge the **2024/25** Income Tax Return for yourself. You engage Carol Kalleske, Tax Agent Number 6389 1001 on the terms set out in this letter and are bound by those terms. You are liable to pay our accounts.

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.

Carol Kalleske	\$ 195/hr
Admin	\$ 60/hr
Bookkeeping Services	\$ 80/hr
	discounts may be applied at Carol Kalleske’s discretion
Fee From Refund Fee	\$ 30.00

Our services will be provided to you on a set fee for the preparation and lodgement of a basic 2024/25 Taxation Return Service (max 30 minutes) from \$215.00. Services provided over and above a basic tax return will be based on an hourly rate of \$195.00 per hour or a set task fee. All services will have an applicable administration fee applied.

This letter relates only to the below mentioned service and details the basis and terms of this engagement. Work that is performed or disbursements that are incurred which are outside the scope of our engagement will be the subject of additional charge.

All questions and requests for advice must be provided to us in writing and we will endeavour to reply within 7 days from receipt of email or letter. Depending on content of response this may incur a Fee.

All questions and requests for advice provided by a phone call depending on content of response and time taken may incur a Fee.

Appointments made from 5.00pm and is not attended or cancelled after 4.00pm will incur a \$55.00 non-attendance fee.

Basis of engagement

Our engagement is to assist with the preparation and lodgement of the current\previous years (if applicable) taxation return\s for yourself.

Included;	PSI / PSB	CGT	RENTAL PROP	BAS / IAS	ADVICE
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Responsibilities

You are responsible for the reliability, accuracy and completeness of the accounting records, particulars and information provided and disclosure of all material and relevant information. You are required to arrange for reasonable access by us to relevant individuals and documents, and shall be responsible for both the completeness and accuracy of the information supplied to us. Any advice given to you is only an opinion based on our knowledge of your particular circumstances.

You are responsible under self assessment to keep full and proper records in order to facilitate the preparation of a correct return and comply with the substantiation requirements and we will not be checking that this has been met.

We expect that all relevant information will be collated and forwarded to our office by appointment date or as requested. 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. All documentation prepared by us will be retained for 5 years as per the Tax Practitioner Boards requirements.

If our services are terminated (by either party), we shall be entitled to retain all documents owned by you until payment in full of all outstanding fees.

Additional services

The scope of our engagement is the preparation and lodgement of the taxation returns detailed above. Our agreed fee applies only to services and advice provided within the scope of our engagement. This fee includes the checking and forwarding of original assessments and original payment notices that are received from the Australian Taxation Office.

Any additional services or advice that you request are outside the scope of our engagement and 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 in particular that any correspondence from the Australian Taxation Office that does not relate to initial assessments or original payment notices will be charged as additional services. We shall now outline the basis of our engagement in the context of the specific services to be provided.

It should be noted at the outset that as a general proposition we rely upon our clients to provide us with accurate and timely information to enable us to properly perform our engagement obligations. Consequently, any rectifying work performed by us on the basis of incorrect or late information will be work which is outside the scope of our engagement and will be charged as additional services.

Income tax returns

Carol Kalleske Taxation & Accounting has been engaged to prepare and lodge Income Tax Return/s for yourself.

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 if we request to see it. Whilst we will not as a matter of course be looking at these documents, the ATO will expect you (and you are required) to have them available before any claim is made in your income tax return. We may in some circumstances also request to see source documents if a tax issue is particularly contentious.

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. We will not, however, be checking that the requirements of the substantiation provisions have been satisfied. Please also refer to the Client Substantiation Declaration.

This specifically means that we will not be reviewing your log book or any calculations or information you provide us, for example a rental property schedule either prepared by you on spreadsheet or by a property manager. If you require assistance in completing a log book or preparing any calculations or you would like us to review such work, please discuss this with us. This will entail work which is outside the scope of our engagement and will be charged as additional services.

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. Substantial penalties apply for an incorrectly prepared income tax return. If you have any queries in respect to this, please contact our office for assistance.

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.

If the terms of our engagement are acceptable, we ask that you please sign the enclosed copy of this engagement letter in the places indicated and return same to our office. Please note that we are unable to perform any work for you until we receive the signed copy.

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,

CAROL KALLESKE
CPA

Acknowledgment of terms of engagement

I/We, the parties named in the Schedule, confirm that we understand and agree to your terms of engagement.

Date

Signed

Name.....

[Insert name]