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PERSONAL TAX CHECKLIST IMPORTANT TO READ

This is a checklist template of items needed to prepare personal income tax returns. Please disregard the items not applicable to you and forward on all information which pertains to your tax preparation. This is not necessarily an exhaustive list of items, so please provide any other information not referenced on this list which is required in your situation to prepare your returns. Please review this in its entirety.

IMPORTANT INFORMATION

It is crucially important to remember that we must receive all of your slips and income sources information, as the CRA is now very aggressive in penalizing taxpayers for failure to report. If a taxpayer fails to submit a slip or report income, they could be assessed a 20% penalty. This is a penalty on the gross amount of the non-reported income, not on the additional taxes owing. For example, you withdrew \$10,000 from your RRSP and failed to report this. You had forgotten to report a T5 slip the year before that was only \$5. You would be assessed a penalty of \$2,000 for failure to report the T4RRSP slip for the RRSP withdrawal. You will not be successful in challenging this. This responsibility falls with the taxpayer to ensure they provide all information when they engage an accountant to prepare their personal tax returns.

FOREIGN INVESTMENT PROPERTY

Please also note, starting for 2013, CRA has greatly intensified their requirements for foreign investment property disclosures and will require an incredible amount of more disclosure which potentially details every single individual property held during the year. This form may carry additional costs of preparing should a taxpayer have significant foreign investment holdings. You should familiarize yourself with these rules by visiting the CRA website and reading up on them and the requirements. They are reported on form T1135 and you can search for the rules pertaining to this in the search box on the CRA website. It will be the taxpayer's responsibility to ensure they confirm with me whether they are required to file this form. (includes items such as, stocks of foreign companies, foreign bank accounts, foreign physical properties, etc)

Please provide me with any address updates since last year, otherwise, you may miss important correspondence from me or CRA if we have the incorrect address on file.

CHECKLIST

1. If this is the first year preparing your returns, and you have not already supplied this, please provide a **“full”** copy of your prior year income tax return with all schedules and also your **“notice of assessment”** from CRA. This pertains to all persons for whom a tax return is to be prepared.

2. If this is the first year preparing your returns, we will also need a signed T1013 authorization form if not already provided, for each individual a return will be prepared for. There is a link on our website to print this document. Please complete Part 1 with your legal name as on record with CRA, including initials, and your SIN. Also sign and date Part 5. We are unable to verify certain information with CRA otherwise, and if you provide this to us too close to the deadline in time to file, important information may be overlooked. Please ask if you cannot find or you have not received one of these forms.
3. All T-slips such as T4, T5, T4A, T4P, T4RSP, T4OAS, etc.
4. Official RRSP contribution receipts. MUST be official slips from the bank.
5. Official charitable donation receipts. We MUST receive the official slips with the charity registered business number on it.
6. If you have an investment account, “not” under your RRSP, please provide all of the investment statements for the entire year as we need to be able to track the cost base of all investments bought and sold. This would include stock and mutual fund investment accounts. If your investment company provides an annual investment account package, please provide that. This will cost you extra charges to track. Alternatively, you can track these yourself and provide us the information. But you must be able to provide us, for every single disposal in the year, the name of the item disposed of, the quantity of units, the dates, the average cost base of units disposed of and the sale proceeds and any fee to the broker. In this case, accuracy of this information will be solely your responsibility.
7. Rental Property information. See below for detailed explanation.
8. Summary of childcare expenses. Childcare expenses must be expended for the purpose of allowing you to work and earn income. Includes items such as nanny’s, babysitters, daycare, etc. You must be able to show proof of payment for CRA to allow the deduction. A T4 for payments to a nanny, babysitter, etc would be preferred and is generally expected by CRA as they view a nanny as an employee usually, otherwise a signed statement by the care provider confirming the amount paid for the year. If an individual, CRA will want to know their full legal name and SIN. If an organization, then the name of the organization and a letter of confirmation, or official receipts. Thus, you must keep track of all payments throughout the year and be able to provide us with copies of every receipt.
9. Receipts for child fitness tax credit. The program must be 8 consecutive weeks in length or 5 days for a camp. The purpose of the program/sport/etc, must be for physical fitness activities. So sports programs, dance classes, martial arts, etc. You can claim up to \$1,000 for each child. A link is also attached below to the CRA website if you wish to read further.
10. Receipts for child arts tax credit. Similar rules to the above, but up to \$500, and must be for promoting development of creative skills or expertise in an artistic or cultural activity, provides substantial focus on wilderness and natural environment, helps children develop and use particular intellectual skills, includes structured interaction among children where supervisors teach or help children develop interpersonal skills, or it provides enrichment or tutoring in academic subjects.
11. Self-employment income summary. See below for detailed description.
12. First time homebuyers tax credit. Please inform us if you are a first time homebuyer and provide a copy of the purchaser’s statement of adjustments from the lawyer.
13. Public transit tax credit. Please provide copies of all transit passes for the calendar year. This does not apply to one day transit fares. This is for transit passes. Please visit the link below to the CRA website for full details.

14. Please provide the full names, SIN numbers and dates of birth of all children if we do not already have this information.
15. Please let us know if you owned any foreign investment property at any time during the year which cost more than \$100,000 Canadian. This does not include property held for personal use. CRA is asking for much more detailed information regarding foreign investment properties held, and information will be needed for every single investment held during the year, if the aggregate at any time exceeded the \$100,000 threshold. If you held 1,000 shares, then you will have to provide us a detailed breakdown of this. Please ask for further information during tax season on this, as the rules are changing in this regard. So please ask for an update on this topic if it pertains to you.
16. T2202 from university or college MUST be provided in order to claim eligible tuition and education amounts for anyone who attended a post-secondary educational facility.
17. TL11A from a university or college attended outside Canada must be provided. Please see the link on our website to print a copy of this. This must be sent to the institution and given to us. Institutions outside Canada will not provide one of these forms if you do not specifically request they complete it. It is a good idea to send this to them at the beginning of the year, as they may take a long time to get back in some cases. They will not release this information to us directly due to privacy laws.
18. If you make alimony/support payments that should be deductible, you must provide us with a copy of the legal order and agreement to pay showing the amounts, if we do not already have this. If a new agreement has been implemented, we must receive a copy of this.
19. Please provide a summary and receipts for all medical expenses for the year. You can see a list of eligible and non-eligible expenses on the CRA website. CRA is auditing these regularly, so we like to get all receipts upfront before preparing your returns.
20. As a Canadian resident, you must report your worldwide income. Please provide full details of this information, and if you were required to prepare a foreign income tax return, we MUST receive a copy of that return in order to prepare your Canadian return.
21. If you claim employment expenses, we MUST receive a signed T2200 from your employer and will not file your return with the expenses reported without that signed form.
22. Any other information you feel we may require

RENTAL PROPERTY INFORMATION REQUIREMENTS

If you have rental properties, you must provide a summary of your rental income and applicable expenses for the year for each property broken down. Please also provide the full address of each property, the names of all owners and the % owned by each taxpayer. Expenses could include mortgage interest (only the interest portion of the mortgage payments for the year, not the full payment including the principal portion), property taxes, insurance, strata fees, utilities, repairs, and any other costs you pay for maintaining or running the rental properties. You can provide just the summary and not the receipts, but please make sure you have all receipts to back up your figures should you be required to provide proof of these items. If you wish for us to summarize all of your receipts, please be aware that our fees will be charged at our hourly rates for summarizing this information if we agree to do this, in addition to the regular rates for preparing the tax return. Please also provide all information at once.

SELF-EMPLOYMENT INFORMATION REQUIREMENTS

If you have self-employment income, please provide a summary of all income for the year and all relevant expenses. This is reported on the accrual basis, not the cash basis, of accounting, unless you are a commissioned sales person, and it accurately shows your income for the year.

Eligible expenses are any expenses incurred for the purpose of carrying out your business and pertain to your business activities. Don't forget to summarize and provide a separate list of capital assets purchased such as computers, office furniture and equipment, etc. These are not considered expenses, but rather capital outlays, so report them separate from your summarized expenses. If it is a home based business, provide a summary of your home costs for the year such as mortgage interest or rent, property taxes, strata fees, utilities, home insurance, internet, home phone, etc. If you use your vehicle for business purposes, please provide information on the monthly lease amount, the manufacturer's suggested list price from the dealership you purchased the vehicle from, the kind, make and year of the vehicle, what the estimated fair market value of the vehicle is now, and of course, all operating costs for the year such as gas, insurance, maintenance repairs, etc. Also, how many kilometers during the year did you drive and how many of those did you drive it for business. Or alternatively, provide us with the % used for business if you have not tracked the kilometers. Please keep in mind that technically speaking, CRA requires taxpayers to keep a mileage log, which details the kilometers driven for business and the purpose of the trip. That is the first thing they ask for if auditing vehicle expenses. Otherwise, it will be based on what they determine to be reasonable. For meals and entertainment, technically, you should also be able to detail the purpose of the meal and whom you had the business meeting with. Again, if not able to provide this, meals and entertainment should be reasonable.

You should provide a summary for each separate business you operate and your summaries should group expenses in categories such as meals and entertainment, telephone, general office supplies, professional development courses, licenses and dues, insurance, vehicle costs broken down as per above, salaries and wages paid, subcontractors paid, advertising, etc.

We do not require you to submit all of the self employment backup receipts, but again, these should be kept and readily accessible in case our office, or CRA requests to see them. Please also provide all information at once. If our office needs to summarize items and sort through records, our regular hourly rates will apply, in addition to the regular tax preparation cost.

LINKS TO CRA WEBSITE

General link to CRA website

<http://www.cra-arc.gc.ca/menu-eng.html>

For specific items, such as allowable medical expenses, you can just type what you are looking for into the search box on the CRA website and it will bring up the relevant information.

OTHER INFORMATION TO NOTE

Please provide the required information to our office as soon as possible so we can get started on your tax returns. They are done in the order in which we receive them. Please also ensure you provide all information at once, as opposed to bits and pieces, unless there is a specific piece of information that you must wait for and have notified us is still outstanding.

Be aware that T4 and T5 slips are due to be sent out by the issuers by February 28 of each year. T3 slips however, are due to be sent by the issuer by March 31 of each year. Therefore, if you have investment accounts for example that a T3 slip will be issued for, that may not be sent to you until after March 31.

Please visit our website at www.rwmcga.com for access to various links, such as to the CRA website, and forms.