**Instruction Letter to Accounting Expert**

By Ken Proudman of Miller Boileau Family Law Group. Distributed at the Legal Education Society of Alberta’s “Business Issues in Family Law Matters” Seminar in Calgary (January 17, 2018) and Edmonton (January 24, 2018).

I confirm that I act for **################** in relation to their separation from **###############**. Thank you for agreeing to assist us by preparing a report summarizing **###############**’s guideline income, including your estimation of personal benefits. I confirm that we are seeking guideline income calculations for the years **############ [as well as an estimated ongoing amount (if circumstances have changed)]**. I have enclosed the signed engagement letter and your retainer in the sum of $**###########**. Please advise us if the original scope of work instructed changes significantly.

Please contact me if you have not read the *Guideline Income Manual for Legal and Accounting Professionals* written by Ken Proudman and Agnes Leung, CPA, CA, CBV, RCP*,* so that I can provide you with a copy to ensure that your Report is in line with recent court treatment and best practices.

**[if court hearing is soon]** The next court date is **#############**. It would be helpful to have the report several days before then so that we can provide it to the opposing party, however if necessary we can request an adjournment.

**[discuss business structure, including whether there are any subsidiaries, and the proportion of ownership of any businesses]**

**[if inadequate disclosure]** We have not been provided with the following mandatory financial disclosure: **############**. **[if no Statement containing a breakdown of personal expenses is provided:]** In that regard, my position is that having failed to provide the breakdown as required by *Cunningham v Seveny*, 2017 ABCA 4and *Sweezey v Sweezey*, 2016 ABQB 131 at para 48, the other party’s income can be imputed and an adverse inference drawn, which might mean presuming that their expenses have a personal benefit component. **[optional:]** I can also advise that even though I did not have to, I did advise opposing counsel of the obligations set out in *Cunningham* and *Sweezey*, and they still did not provide this information.

**[if applicable]** As **##########**’s credibility is at issue, I would kindly request that whenever practical, you rely on objective information such as bank account statements.

**[if applicable]** I can advise that **##############** prepared their own Income Tax Returns and Financial Statements, not an accountant.

To assist you, I have attached the following documentation:

1. Financial Statements of **##############** for the years ending **#####################** (including Income Statements and Balance Sheets);
2. Income Tax Returns and accompanying schedules for the last 3 years;
3. Notices of Assessment or Reassessment for the last 3 years;
4. Capital Cost Allowance Schedule (or Property, Plant, and Equipment) as at **#################**;
5. **[documentation pertaining to personal expenses]**;
6. **[documentation showing the principal portion of any of the business’s loan payments, especially if the report is in relation to your own client’s income]**;
7. Business bank account statements for the period of **################**;
8. Business credit card statements for the period of **################**;
9. Affidavit of **###############**, sworn **###################**;
10. Affidavit of **###############**, sworn **###################**;
11. **[other relevant documentation, such as transcripts, undertakings]**.

**[if report in relation to opposing party]** I can advise that this is all of the relevant financial information provided by **############**. Due to a 2017 Court of Appeal decision, it is now their obligation to demonstrate that their expenses have been reasonably deducted, otherwise income in an appropriate amount may be imputed to them by the Court. That means that it is now generally not beneficial nor cost-effective for us to help them prove their case. However, if you feel that it is necessary to obtain any further documentation or information, please let me know.

**[For more detailed/costly reports, specific questions can be posed to your expert]**  In addition to the guideline income report which we have requested, would you be able to answer the following questions within your report? We understand that this will be at an additional cost than as quoted.

1. **#############**

Thank you again for agreeing to help. Please don’t hesitate to contact me to discuss any of this further.