INSIDE: When to Say ‘No’ to the CRA — Best Practices in Handling CRA Audits

NUMBERS & SENSE

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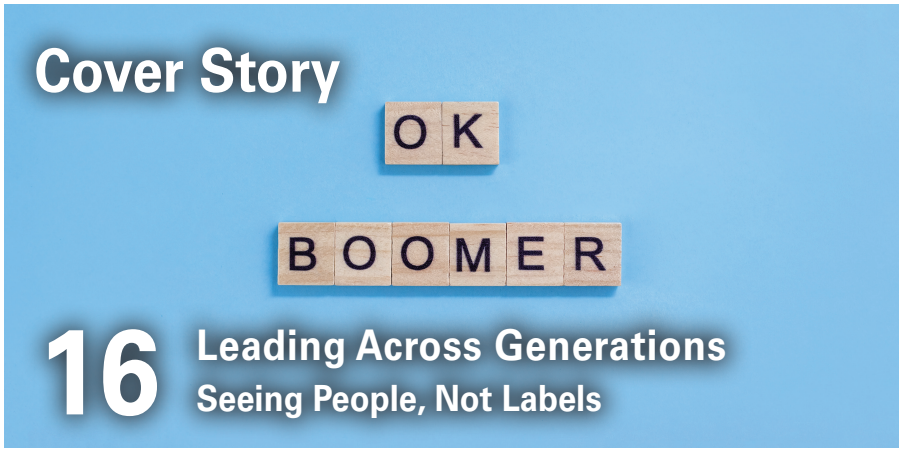
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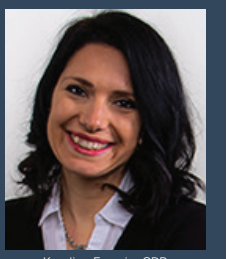


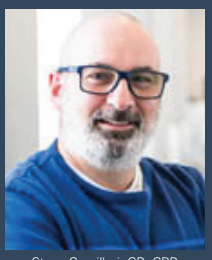


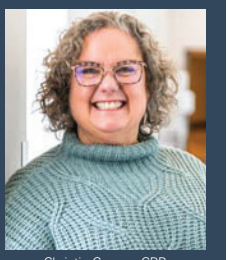


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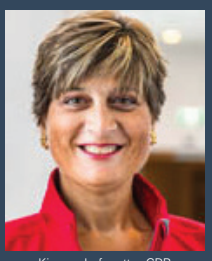

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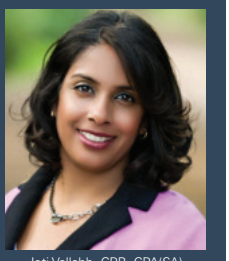

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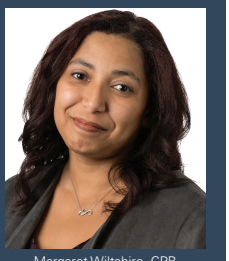

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Certified Professional Bookkeepers of Canada

The CPB – Our Strength – Your Advocacy

As bookkeepers, many of you dedicate countless hours to mastering your craft, maintaining essential standards and ultimately earning credentials that showcase your competence and expertise. At CPB Canada, the Certified Professional Bookkeeper (CPB) designation embodies this dedication. It is a symbol of excellence that reflects ethical practice and knowledge, setting you apart in an unregulated industry. However, I am concerned that at industry events, conferences and even in some workplaces, our flagship credential is often overlooked or goes unmentioned.

This oversight, whether unintentional by individuals, employers or event organizers, has a cost. Each time a speaker is introduced without mentioning their CPB designation, a panellist's bio omits it or a team member's name appears without the credential in internal or external communications, our community misses an opportunity. We lose the chance to reinforce the individual's credibility and, more importantly, to elevate our profession's collective reputation and the standards we uphold. Whether you run a bookkeeping practice or work in an employed role, failing to highlight the CPB can undermine the recognition we've worked hard to achieve.

I regret to say that when the CPB designation isn't visible, its value decreases. This creates ambiguity or, worse, equates a Certified Professional Bookkeeper with those who are not. This not only hampers our ability to showcase the strength of our professional community but also impacts the broader recognition of our profession. The



CPB gains strength with every public acknowledgment; conversely, its absence weakens its standing and diminishes the professional community behind it.

The solution is straightforward but needs a conscious, deliberate and unified effort from all of us, whether we are firm owners, employed team members or leaders within an organization.

Personal Responsibility for Showcasing Your CPB

If you attend an event, speak on a panel or contribute to a project, make sure your CPB designation appears next to your name. This applies to event promotions, websites and social media posts. To assist with this, update your professional profiles and include the CPB designation in your presentation slides. Small actions can strongly demonstrate your pride in your qualifications and enhance the recognition of our professional designation.

Advocate for the Visibility of the CPB

If you notice that internal communications, team directories or organizational profiles fail to include certifications like the CPB, suggest adding them. Encourage employers and colleagues to recognize the importance of professional designations in building credibility and trust. If possible, help inform your colleagues about the value of the CPB credential and guide them towards pursuing it.

Encourage event organizers to reflect the CPB. If you attend or speak at an industry event and notice that designations are missing from introductions or materials, provide a professional reminder. CPB Canada is also committed to working with industry partners to ensure that our members' qualifications are prominently and accurately displayed in all event communications.

Maintain Your CPB and Support Others in Achieving It

Encourage your peers to proudly display their CPB designation, mentor new members on its significance and lead by example. Together, we can promote a standard of excellence by enhancing the reputation of our profession and paving the way for future generations of Certified Professional Bookkeepers in Canada.

As I stand on this soapbox, I hope we can work together to ensure the CPB designation is increasingly visible and celebrated. Join me in making the CPB impossible to ignore.



Message from the Board Chair

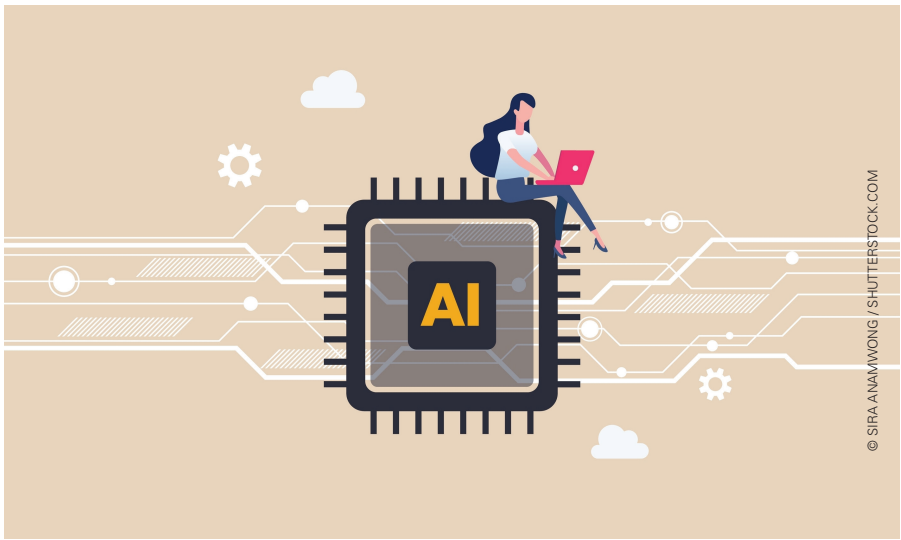


By Melissa Lenos, CPB, PCP
Board Chair
Certified Professional Bookkeepers of Canada

Riding the Wave of Inspiration from IGNITE 2025

There were so many thought-provoking speakers and fantastic presentations at IGNITE 2025, held in Calgary this past September, that my sense of purpose is renewed. Artificial intelligence (AI) has been top of mind for me before and during this year's conference, and I believe this might be the case for many of us.

I have always known that AI would change my life and career, and I welcome that change. AI can be JUST A BOOKKEEPER! As professionals, we bring insight, strategy and human connection; this is where our value as Certified Professional Bookkeepers (CPBs) really lies.



Embracing Change

I started my bookkeeping career with green-papered ledger books, moved things into Excel, then into desktop software, and now into the cloud. Each change was difficult for me and my clients. There was a lack of trust at each level of change, and we have asked our clients to make many changes over the past 25+ years. We have come a long way when we look back at how bookkeeping has evolved from abacus calculations to Microsoft Excel and AI helping us with formulas.

Some of our clients have not experienced every stage of change alongside us, and some readers of this article may be encountering these shifts for the first time. As CPBs, we are responsible for guiding our clients through these transitions and helping them embrace the changes we ask them to make.

It is also our job as firm owners to navigate these changes with our staff. It is your job to remind us that change is hard and to ask questions.

Ethics and Trust in the Age of Automation

Although I was an early adopter of the cloud, driven by a desire to build a firm of mobile bookkeepers (and, admittedly, my love of travel), I have approached AI more cautiously. While tools like Hubdoc and Dext have transformed my firm's operations, I have been more deliberate about integrating generative AI into our workflows.

What I am talking about here is the use of applications like ChatGPT. As our clients' trusted advisors, I wanted to go down this path slowly and with care – developing internal policy around what can go into AI tools, what tools

we want to use internally and how we would use those tools when it comes to client data.

For me, this careful approach is not just about compliance but about trust. It is about ensuring that our use of AI aligns with our professional values and protects the integrity of our clients' businesses.



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Building Stronger Client Relationships

As bookkeepers shift from traditional data entry roles to becoming strategic data managers, we are now better equipped to interpret and analyze financial data to support informed decision-making for small businesses. This is my favourite part of my career: helping clients grow stronger businesses that can be more profitable, productive and sustainable.

This is where the human connection cannot be beat and where CPBs shine. With some extra time, a coffee on a fall morning, chatting to a client about the growth of their business and how their bookkeeping needs to change to help them understand their growth, is pretty powerful.

The Road Ahead

As CPBs, we have already witnessed a remarkable evolution in our industry over the past 25-40 years or just in the past year. The next chapter is being written with the help of AI, and it is not about replacing us; it is about elevating us.

As we stand at the intersection of tradition and innovation, let us choose to lead with curiosity, compassion and courage. AI may be the tool, but we are the trusted guides. The future of bookkeeping is bright, and it is ours to shape.





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Six Top Year-End Tax-Planning Tips

By David J. Rotfleisch, CPA, JD

As the year comes to a close, here are tax-planning tips and proactive advice for professional bookkeepers to offer to their clients.

1. Maximize RRSP Contributions

Contributions to a registered retirement savings plan (RRSP) are tax-deductible and are an effective way to reduce individual taxable income. The contribution deadline is March 2, 2026, for the 2025 tax year. The contribution limit is 18 per cent of the annual taxable income, up to a maximum of $32,490. Earnings from RRSPs are tax-deferred until withdrawn. Therefore, by maximizing RRSP contributions, your clients can potentially save thousands of dollars in taxes.

2. TFSA Withdrawals and Contributions

Contributions to a tax-free savings account (TFSA) are not tax-deductible. However, rather than being tax-deferred, earnings from a TFSA are completely tax-free. The contribution deadline is December 31. The contribution limit is $7,000 for the 2025 tax year and can be carried forward to next year if unused. TFSAs have an accumulated contribution limit of $102,000 as of 2025 (subject to certain conditions). Therefore, if your clients plan to withdraw from a TFSA, they should do so before the end of the year to free up the contribution room for the next year on January 1.

3. Charitable Donations

Making charitable donations provides clients with donation tax credits, which can be applied to reduce taxable income. Ensure clients donate only to registered donees on the CRA list of qualified charities, organizations and associations. After donating, clients will receive an official donation receipt, showing the donation amount and the donee's registration number. Clients do not have to claim the donation tax credits in the same year; they can save the credits for up to five years. You should keep track of the client's donations to make the best use of the credits and avoid letting the credits expire.



David J. Rotfleisch

4. Capital Gains and Losses

If your clients have capital gains, consider selling investments with losses to offset these gains. If the losses are not used up in the year, they can be carried forward indefinitely to offset against future capital gains. Capital losses can also be carried backward for three years. You should have an overview of the clients' financial picture to advise them on strategically using the losses. Be aware of the last trading day on the calendar for 2025 to ensure that the losses will be deductible.

5. Self-employed Individuals and Small Business Owners

Bookkeeping for self-employed individuals and small business owners should maintain separate accounts, such as bookkeeping and bank accounts, for the individual's and business's income and expenses. Commingling the two types of accounts risks the CRA imputing income to the individuals and denying expenses for the business. Self-employed individuals and small business owners often give bookkeepers the invoices and receipts without explaining what the invoices or receipts are for. You should always clarify with clients.

6. CCA Review

Year-end is also a good time for bookkeepers to review the capital cost allowance (CCA) rates and classes for any changes and the accelerated CCA available for eligible properties under the Accelerated Investment Incentive (AII). As a reminder, the AII regime can suspend the half-year CCA rule and apply the CCA rate for up to 1.5 times the net addition to the CCA class in the year. The properties eligible for AII must be acquired after November 20, 2018, and available for use before 2028.

By following these tips and staying informed, you can confidently help your clients navigate Canadian tax returns for calendar year 2025.

David J. Rotfleisch is the founding tax lawyer of Rotfleisch & Samulovitch P.C., a Toronto-based boutique tax law and corporate law firm that operates Taxpage.com, a website with vast tax articles and videos. He appears regularly in print, radio and TV. With over 40 years of experience as both a tax lawyer and a chartered professional accountant, he has helped startup businesses, resident and non-resident business owners and corporations with their tax planning, will and estate planning, voluntary disclosures and tax dispute resolution, including tax audit representation and tax litigation. He recently launched CryptoTaxLawyer.com to help cryptocurrency traders proactively deal with their tax obligations to the CRA and help victims of cryptocurrency scams and schemes deal with their losses.

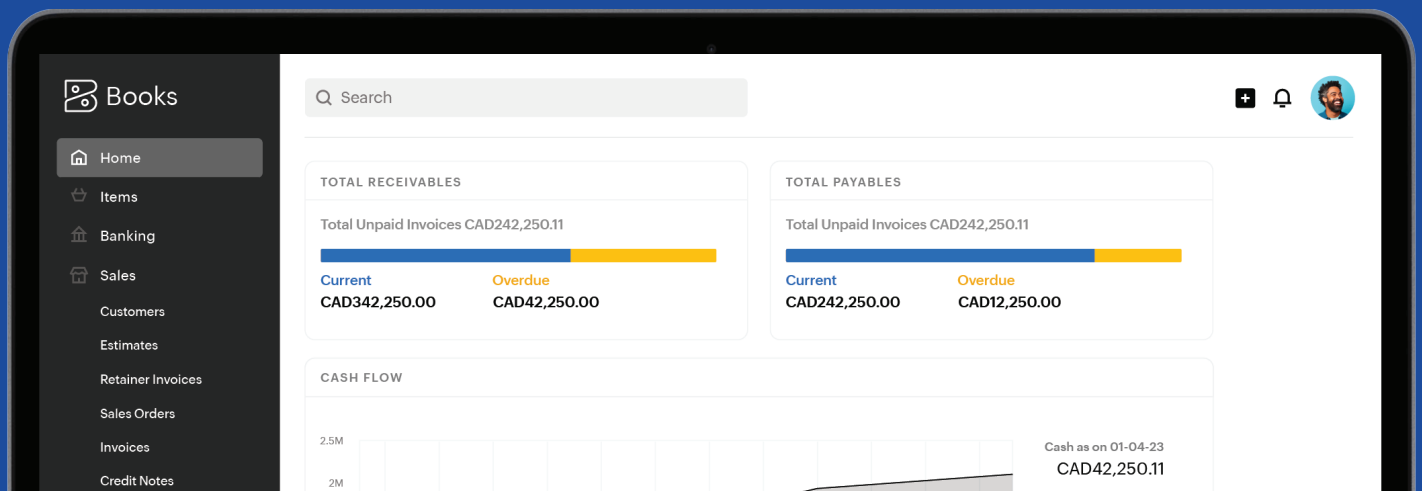
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Leading Across Generations

Seeing People, Not Labels

By Julie Ruben Rodney, M.Ed., CHRL

A Shifting Workforce Landscape

Today's workplace is unlike any we have seen before. For the first time, we have four, sometimes five (e.g., Traditionalists), generations working side by side. Boomers, Gen X, Millennials and Gen Z are all bringing their lived experiences, values and expectations to work. Each of these groups was shaped by the times they grew up in, whether it was the rapid rise of technology, global financial crises or social shifts around inclusion and equality.

As a Gen Xer, I often describe myself as part of the sandwich generation, leading organizations while balancing the needs of both children and aging parents. It is a perspective that has made me acutely aware of the different pressures and motivators that shape people. But here is the key: while generational context gives us useful insight, it must never be used to stereotype or box people in. Our role as leaders is to discover the individual beyond the label.



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Understanding the Generations

Traditionalists
1922–1945

Baby Boomers
1946–1965

Generation X
1966–1980

Generation Y (Millennials)
1981–1996

Generation Z (Zoomers)
1997–2012



Beyond Generational Stereotypes

It is tempting to simplify human behaviour into generational categories, to say that Millennials are "needy" or Boomers "resist change." These broad brushstrokes are often off-base, and therefore they don't serve us in leadership. In fact, they can hold us back from truly understanding the people we work with.

What matters most is taking the time to uncover what drives each individual. What do they need to feel supported? What helps them feel recognized? What kind of work lights them up? Those answers are never one-size-fits-all, and they often have little to do with the year someone was born.

Generational insight should be a doorway, not a destination. It can spark curiosity, but it's only by engaging with someone personally that we can uncover what motivates them, what they value and how they want to grow.

Leadership Through Multiple Lenses

Over the last 20 years of leading teams and advising organizations, I've drawn from several frameworks that shape how I think about people at work. These are not rigid theories to memorize; rather, they are lenses that help leaders approach individuals with greater clarity and empathy.

Understanding behavioural and personality styles: Some people are highly results-driven, while others prioritize harmony, collaboration or precision. Recognizing these differences helps us flex our style, communicate effectively and minimize unnecessary conflict.

Recognizing needs: Everyone has fundamental needs, including security, belonging and growth. In today's multigenerational workplace, some may seek stability while others crave challenge and exposure. Effective leaders create environments that balance both.

Motivating through purpose: As business author Daniel Pink notes, autonomy, mastery and purpose are not generational desires; they are human desires. While the emphasis on each of these desires may differ by individual, the foundation is the same.

Creating true engagement: A paycheque may keep people showing up, but recognition, responsibility and growth keep them thriving while helping your business succeed.

Fostering self-awareness: Lead with humility. Be open to feedback, acknowledge your blind spots and invite others to explore theirs. Build a culture where feedback is a two-way exchange that brings strengths and growth opportunities to light.

These frameworks aren't about theory for theory's sake; they're practical ways to better understand and support the individuals who make up our teams. The next section explores how to bring these ideas to life through everyday leadership actions.

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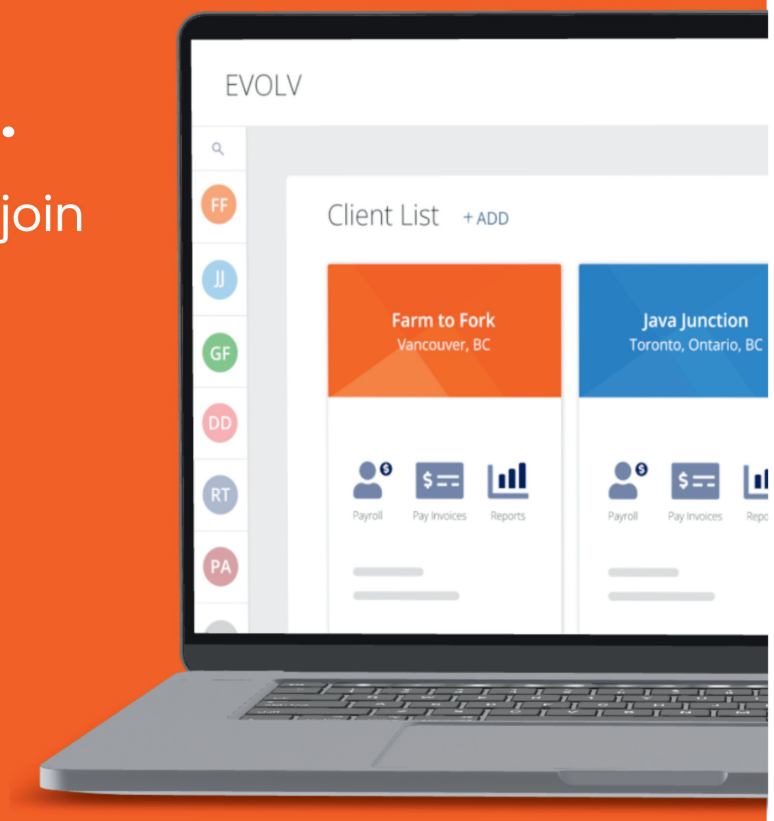
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> **Don't let generational assumptions get in the way of seeing the human being in front of you.**

What Leadership Looks Like in Practice

When you lead across generations, you quickly realize that assumptions can be your biggest barrier. I've seen younger employees who are labelled "entitled" because they have asked about stretch opportunities, conference attendance and vacation time for travelling abroad, etc., in their first year. In reality, these individuals are highly ambitious and deeply invested in growing and learning personally and professionally. When we reframe assumptions (e.g., broadening their experiences, rather than entitlement), it can unlock opportunities that benefit everyone and your business.

On the other end, I've seen seasoned employees who were overlooked for stretch assignments under the assumption that they "just want to coast into retirement." More often than not, they crave new challenges and opportunities to share their wealth of knowledge. When given the opportunity, they became some of the most engaged mentors and driven contributors.

In both cases, the lesson is the same: don't let generational assumptions get in the way of seeing the human being in front of you.

Practical Guidance for Leaders in a Multigenerational Workforce

Building on the foundational frameworks and lenses described above, how can leaders take meaningful action? Here are some practices that can help bridge differences and deepen connections across generations:

1. **Be curious.** Don't assume what motivates someone. Instead, ask! Simple questions such as "What kind of recognition feels meaningful to you?" or "What would help you feel most supported?" open valuable dialogue.
2. **Adapt your communication.** Notice how each person prefers to engage. Some appreciate quick check-ins; others prefer thoughtful discussions. Once you know their preference, you can flex your approach accordingly.
3. **Empower with trust.** Provide clarity on expectations but leave space for ownership. Structure and autonomy can coexist.



4. **Recognize meaningfully.** Genuine recognition doesn't have to be grand; a few sincere words or a simple note can have lasting impact.
5. **Champion continuous growth.** Offer opportunities for development and challenge at every career stage, not just for newer employees.
6. **Model a collaborative mindset.** Demonstrate vulnerability, invite feedback and respond without defensiveness. When people feel safe to speak up, collaboration and innovation follow.

Why This Matters for Professionals in Finance and Beyond

For professionals in finance, leadership may look different depending on whether you are running your own practice, leading a small team or managing direct client relationships. However, the key principles are the same:

- With clients: Generational context can help you tailor communication. An emerging entrepreneur might prefer quick texts and real-time updates, while a seasoned business owner may value detailed reports and phone calls. Neither is better, just different. Simply ask your clients about their preferences and expectations, rather than trying to assume.
- With employees: Creating a culture of recognition and growth helps you retain top talent, no matter what their age. Actively seek what motivates your employees at an individual level. Remember, turnover is expensive. Investing in individuals pays off in loyalty and performance.

In the world of finance, trust is everything. The same is true in leadership. When people know you see them for who they are, not just the category they fall into, they trust you, and trust is the currency of effective teams.

Closing Thoughts

Leading in a multigenerational workplace is not about mastering theories or memorizing generational traits. It's about showing up with curiosity, empathy and adaptability. It is about seeing the individual in front of you, understanding their unique context and creating the conditions for them to thrive.

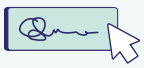
More than two decades of leadership have taught me this: people want to be understood as more than their generation, their role or their title. They want to be seen, valued and given the chance to grow. When we lead with that in mind, we don't just bridge generations, we build workplaces where every individual can bring their best.

Julie Ruben Rodney is the founder & CEO of MaxPeople, a human resources consulting firm that helps businesses succeed by unlocking their people's full potential. Julie leverages more than 30 years of leadership and HR expertise to lead her organization and provide clients and partners with customized leadership development/coaching and practical HR strategies. Whether you're looking to strengthen your team culture, improve retention or enhance performance, MaxPeople can support you. To learn more visit maxpeoplehr.com or get in touch at chat@maxpeoplehr.com

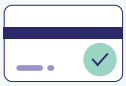
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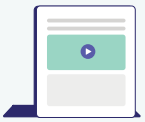
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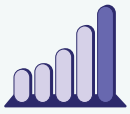
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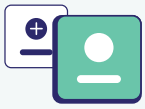
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Three Steps to Building Your Business

And Bypassing the Burnout!

By Jordan Labelle

You know that feeling when the numbers look good on the surface, but there's that persistent nagging sense that something isn't working right? I had one of those moments a couple of years back. Our retention numbers were solid, our customers loved us and everything looked great! But when we dug into the details, we realized that our acquisition was slipping. We were so focused on the client experience for current customers that we lost focus on bringing in new ones. That wake-up call made me face something that I'd been overlooking in my business: sustainable growth isn't about doing more, it's about doing the right things, in the right order.

These are the three steps I use to support business owners who want to build for the future without sacrificing the present.

Step 1: Understanding

You can't fix what you can't see. Too often, we look at surface-level metrics like revenue growth or how busy we feel, without asking deeper questions. True understanding means looking at your business from two angles:

Understanding the business itself

- Get into the details of what's working, what's breaking and where the bottlenecks are;
- Figure out your key signals: profit margins, client

acquisition cost, customer retention and time to deliver; and
- Don't just track activity. Track whether your business is healthier month over month.

Understanding your customers

Ask yourself these questions:

- Are you still serving the people you serve best, or has your customer base shifted?
- What problems are your customers struggling with right now?
- How do they describe those problems in their own words?

As accounting professionals, you spend your days bringing financial clarity to your clients, helping them see what's really happening beneath the surface of their numbers. But here's the uncomfortable question: when's the last time you turned that same lens on your own practice?

It's easy to get caught in the rhythm of client work, billing cycles and deadlines without stepping back to ask whether your business is actually healthy. You might be busy, even profitable, but are you building something sustainable?

Understanding your own business means looking at more than just whether you're keeping up. It means asking:

- Are you pricing in a way that reflects your true value, or are you still charging what you did three years ago?
- Is your client mix pulling you toward growth, or are you spending most of your energy on the clients who drain you?
- Where are you spending time that could be systematized, delegated or eliminated entirely?

The data you need is already there. You just have to be willing to look at it honestly.

When we finally realized our acquisition problem, it was because we dug into the numbers behind the surface. It changed how we delivered and growth started to build.

> **Think of yourself as a symphony conductor. You aren't playing every instrument.**

Step 2: Prioritization

Every business owner has an endless list of things they could be doing. But real progress comes from focusing on the one thing that matters most right now and that will carry the biggest impact.

Here's a question I often ask: Could you double your customers tomorrow and survive it?

- If yes, marketing and sales should be your top priority.
- If not, your systems and operations need to come first.

It's like firefighting. You can slowly put out a few fires a little bit at a time, only to have them flare up again. Or you can take the time to put out one fire all the way and stop it from spreading.

Sustainable businesses don't chase every opportunity; they sequence the right ones.

This is where the 80/20 principle shows up. Most of your results come from a few inputs. Find the highest leverage move and let the rest wait.

Step 3: Orchestrate

Once you know what matters, the question becomes: How do you get it done without burning yourself out?

Orchestration means defining the solution, breaking it down into its critical parts and finding the right "who" for each piece.

Think of yourself as a symphony conductor. You aren't playing every instrument. Instead, you're surrounded by people who know how to play at the top of their field and can create what you need to build something beautiful. The same thing goes for your business. You don't need to do it all; you just need to find the systems or expertise to help fill in the band. That could be software, AI, a freelancer or a team member, but it doesn't all have to be you.

When I finally handed off my content creation, I realized I'd been spending four hours a week writing what someone else could draft in 30 minutes from my notes. That single shift gave me back time and energy I could reinvest in growth. It didn't just lighten my workload; it made the business stronger.



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Orchestration isn't about building a massive machine overnight. It's about creating the simplest version of a system that works, then letting the right people or tools run it consistently.

What This Looks Like for Accounting Professionals

Let me give you a few real scenarios where these three steps come together:

Scenario 1: The Capacity Crunch

You're maxed out during tax season, turning away good clients because you don't have the hours.

Understanding reveals the problem: you're doing too much low-value data entry. Prioritization says systems come first; you can't grow if you can't deliver. Orchestration means finding software or a junior team member to handle the routine work, freeing you up for advisory conversations that clients actually value.

Scenario 2: The Pricing Problem

You know you're undercharging, but you're scared to lose clients if you raise rates.

Understanding shows you which clients are actually profitable and which ones are costing you money. Prioritization points to a pricing restructure and possibly letting go of the bottom 20 per cent. Orchestration might mean hiring a coach to help you have those conversations or building tiered service packages so clients can choose their level of engagement.


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Scenario 3: The Communication Overwhelm

You're spending hours each week answering the same questions from clients: "Where's my report?" "What does this number mean?"

Understanding the pattern shows it's a systems issue, not a people issue. Prioritization says client communication needs a structured process. Orchestration could be as simple as a client portal, templated emails or a monthly check-in rhythm that gets ahead of their questions.

These aren't hypothetical. These are the patterns I see again and again with accounting professionals who are great at their craft but are struggling to build a business that doesn't consume them.

The work you do is valuable. The question is whether your business structure reflects that value, or whether you're still operating like you did when you were just getting started.

Sustainable Momentum

Building a business that lasts isn't about constant hustle or endless grind. It's about rhythm. Instead, focus on those three steps. Understand where you are, prioritize what matters most and orchestrate the solution so you don't have to do it all yourself. Do this on repeat, and growth stops being chaotic. It becomes sustainable.

If you want help with understanding, prioritizing or orchestrating your next steps, that's exactly what we do. Whether it's one on one, in workshops or through ongoing support, we can help you build the business you want without burning out along the way.

Jordan Labelle is an expert in building sustainable service businesses and the founder of Evergreen Growth Collective https://www.evergreengrowthcollective.com/, working with established service business owners to create consistency, scalability and work-life balance through proven systems.



Lessons From My Attempted Maternity Leave

A Postpartum Perspective on Transitioning Client Services

By Nat Marshik, CPB, CNAP

I'm privileged to lead a bird-obsessed team of non-profit finance enthusiasts, otherwise known as Chickadee Nonprofit Solutions. We are now in our third year in business, with an expanded team of eight employees serving 20 non-profits and charities.

As founder and CEO, by our third year, in spite of successfully delegating monthly data entry, I was still working 50 hours a week and serving 100 per cent of our clients directly. Our team of seven technician bookkeepers all reported to me, and I led every client relationship and meeting.

Then – surprise! – a positive pregnancy test. With a baby's arrival suddenly on the horizon for March 2025, it was clear our business needed a major shift.

I rolled up my sleeves to start planning and optimistically looked forward to a six-month maternity leave in the spring of 2025. Spoiler: my mat leave turned out to be four weeks.

In this article, I'll share reflections on what worked, what didn't and my top takeaways. I hope these notes will spark ideas for other founders/CEOs out there who need to transition away from providing direct client services whether due to babies, family caregiving, health, retirement or just because you want to!

What Went Right: Updating the Team

I credit my baby for pushing me to make two difficult business decisions ahead of my leave.

The first was letting go of an underperforming employee. With a baby coming, there was no way I could ask another team member to do what I was doing, working weekends correcting another team member's mistakes. This was my first (and so far only) termination, and it was very hard. I suffered months of sleepless nights and anxiety before taking decisive action.

The second decision was to reorganize our team structure to create a new role between me and our technician team.

Six months before my baby came, a new position was born: client file lead or senior bookkeeper. This position would take over the majority of the client-facing services I was then providing and would also be responsible for quality control on month-end books, coaching technician bookkeepers, providing client education, managing ongoing scope of work and leading finance review calls.

Two brave and talented team members agreed to pilot the brand-new role. From October to February, we rolled out a hand-over process whereby they became the primary points of contact for all except two clients.

The pilot process was collaborative and iterative. For example, we started with handing over a finance review call on a familiar client file and then debriefed to capture what worked well and improve the process for the next hand-over. We also started to hold weekly leads team meetings to discuss tricky scenarios and best practices, especially on the blurry issues like client boundaries and communications.

With this new position in place, my direct reports shrank from seven to three.

> **A high-performing, cohesive team can weather the challenges of a CEO on leave.**

What Went Right: Pre-Baby Communications

Communicating our new team changes to clients worked well. We wanted to reduce any fear about the transition. We were transparent from the discovery call for new clients, letting them know I was pregnant and there would be a team change.

For current clients, we announced the pregnancy at the end of September with a letter explaining the timeline and introducing the new team members. We followed up with introductions on calls or via email.

We expected concerned emails but received none. Instead, we got positive responses like: "Understood, this sounds clear." We sent a second update in January, repeating the information and reminding clients of my reduced availability in February.

Half of the clients had met their new file lead by January and services had been transferred. This was the crux of the organizational change. I knew I'd be in a hospital room having a baby and unable to serve clients. This external force made stepping away non-negotiable and culturally accepted.

What Went Wrong: The Perils of Over-Commitment

Baby arrived on March 16, 2025. This is where the poop hit the, well, everything. Everything got poop on it.

A very small minority of client files did not go to plan. On paper, this was not a bad ratio. In reality, this minority had a spectacularly outsized impact on the business, almost pushing a critical team member to the point of burnout.

What Happened?

For several clients, workload spiked well beyond what I had anticipated in my team capacity plan. Some of this spike came from clients themselves, who brought unexpected requests or events such as large new funding portfolios or leadership transitions. Some of it was internal: for example, my staff had to spend extra time self-orienting to complex client files that I hadn't had time to train them on adequately.

On those clients, deliverables were delayed, team stress mounted and client services satisfaction took a hit.

Even one or two unhappy clients took a significant mental toll

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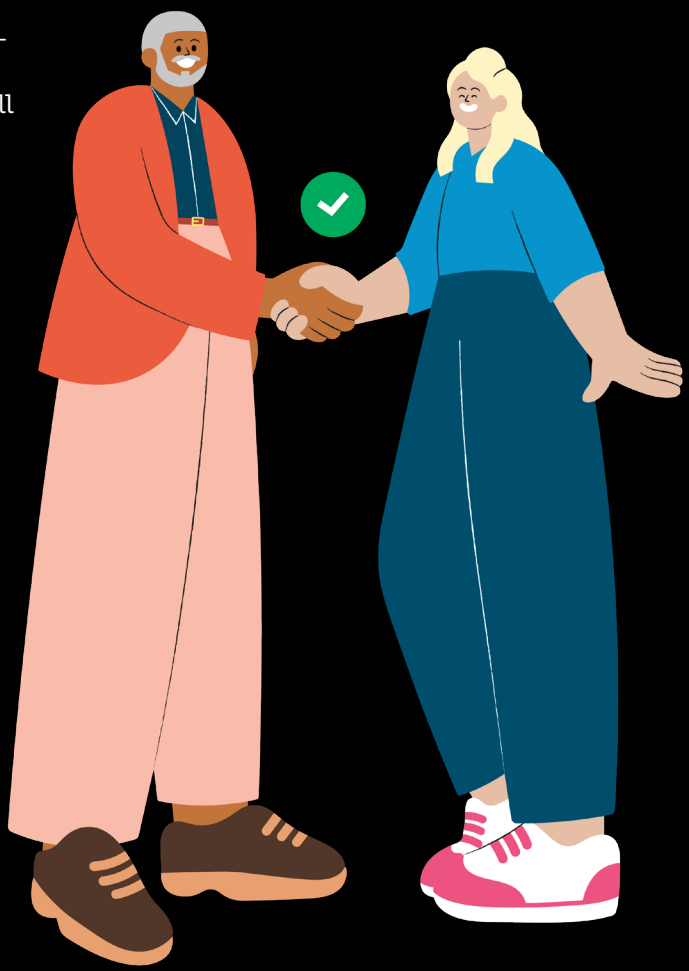
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on our small team. Thankfully, when I surfaced to send a check-in after four weeks of newborn haze, I heard the alarm bell loud and clear.

I immediately sought insights and coaching from my amazing business mentor, Tovah Paglaro, whom I found through the Forum program for women entrepreneurs. With her astute guidance, my priority was to show my team that I was there 100 per cent to support them, but not to undermine them by taking work away from them.

We immediately launched daily check-in calls to my two leads to help triage workload or strategize about client issues. This turned out to be an excellent fit for my postpartum life. Even though I often needed to be holding or nursing a baby, I could listen, talk and strategize with them on a call.

I assured them that I never want them to suffer for a client. My team is the company's no. 1 most valuable asset. To this end, I took decisive action to let go of a client and set some boundaries for another client. We created a plan to get through the most urgent and complex remaining tasks and meetings, and I arranged for vacation dates and additional paid leave for team members who needed it.

By June, I was reopening a very limited calendar for direct client-facing calls with select clients. Here, I was able to finish resolving some of the client relationship issues. I am happy to say that we did not lose any clients or team members during this difficult time.



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Lessons Learned about Business Transitions

Issues with clients during my pregnancy and team transitions traced back to two big mistakes I had made, which did not set up my team for success.

First, I misjudged our capacity to take on new clients. In the fall, we received an unexpectedly high acceptance rate on our quotes and we took on five new clients just five months before I gave birth. In our world, new clients require six to nine months to transition to routine monthly services. This new work was now added to our team's regular project work. In the future, I would give myself permission to withdraw a services quote instead of automatically honouring it.

Second, I made the mistake of verbally over-committing my team to an unrealistic turnaround timeline for year-ends based on client pressure. Clients always want the year-end report ASAP. Our philosophy is that non-profit professionals can show solidarity to each other by resisting unrealistic client timetables. In this case, I was soft with a timetable boundary and that ultimately rebounded on my team as they did not have the capacity to meet the timelines that I had agreed to.

Today

Six months post-baby arrival, we were able to catch our breath. We are still navigating capacity challenges, we have hired additional team members, clarified roles and committed to a more moderate client intake in the new season. To celebrate making it through the first six months of postpartum business,



my file leads and I gathered in person at the Calgary IGNITE conference in September 2025, for a whirlwind of learning and long-overdue team hugs.

For me, it was also a whirlwind of pumping, finding lactation pods in airports and figuring out how to freeze and transport milk. But that's another story.

Takeaways

Planning an extended leave? Here are some tips to set up your team for success:

1. **Take decisive action to address performance issues on your team.** A high-performing, cohesive team can weather the challenges of a CEO on leave.
2. **Communicate transparently with your team and clients.** Keep everyone informed about major transitions, with multiple reminders, to reduce uncertainty and build trust.
3. **Establish clear roles and responsibilities, especially for handing over your work.** Create structured positions, like the file lead who is a CPB, to ensure continuity. Identify exactly who reports to (is supported by) whom. Reduce the number of direct reports you'll be supporting after the leave begins.
4. **Seek external support, such as a mentor and an executive assistant.** Engaging with experienced mentors can provide valuable guidance and accountability. Engaging an executive assistant can help you manage your inbox and certain HR or payroll tasks that are not appropriate to delegate internally.
5. **Set up recurring tasks and meetings for your technical team.** Create calendar invites for recurring co-working or check-in meetings to ensure all team members have support and connection. Standardize and track recurring tasks in one place to maintain consistency and provide a bird's-eye view of the business.
6. **Empower your leadership team with templated communications.** Draft email templates, meeting agendas and FAQs to equip your team for new client-facing communication responsibilities. Make it easy to respond to clients quickly with pre-approved templates for sticky scenarios like "your reports will be delayed" or "sorry, that request is out of scope."

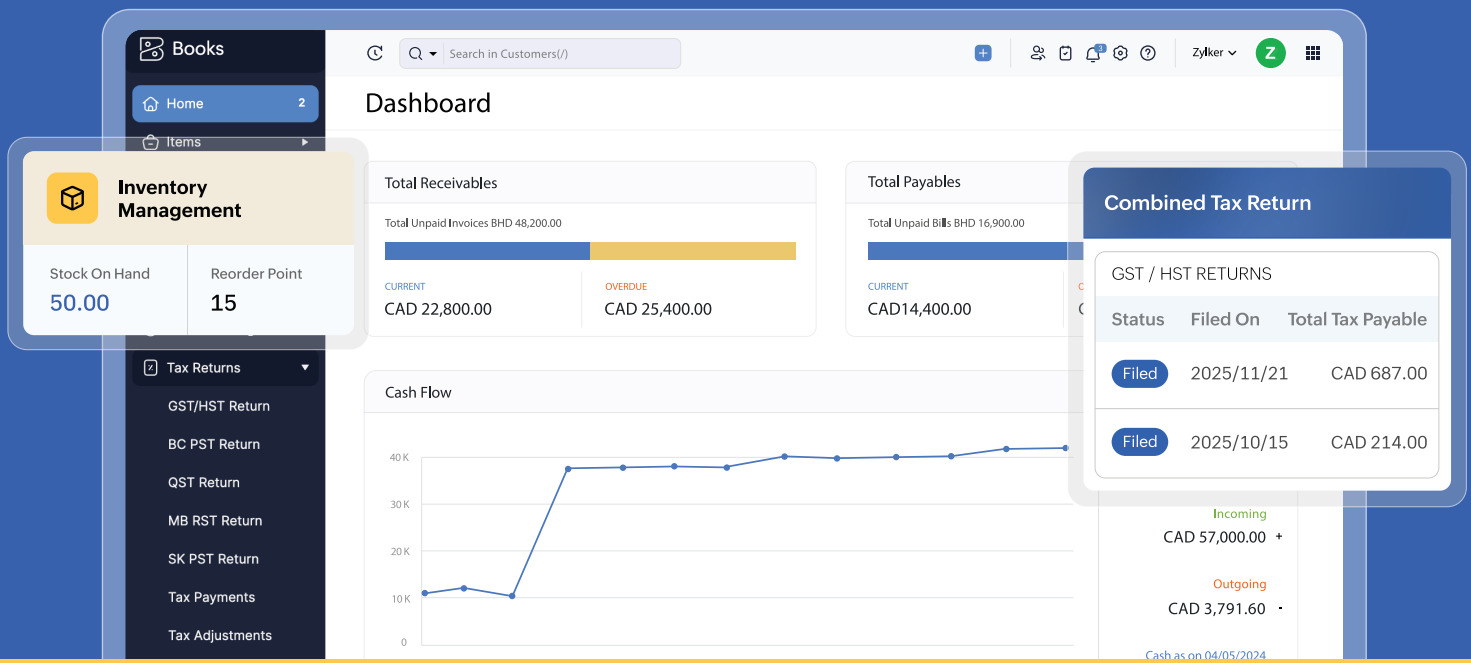
Last, accept that a lot of your tasks won't be completed. Clear the decks before you go!

Nat Marshik, CPB, CNAP, is a Certified Nonprofit Accounting Professional and founded Chickadee Nonprofit Solutions in 2023. Her team of 10 supports nonprofits across Canada, with a special focus on arts, environment and social impact organizations. www.chickadee-nonprofit.ca/ www.linkedin.com/in/nat-marshik

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A Little 'Something Extra': When to Process an Off-cycle Payment

There's a spike in businesses processing off-cycle payroll runs at this time of the year, for plenty of reasons. It could be the discovery of necessary year-to-date (YTD) adjustments through year-end processing tasks (requiring an extra payroll run before the tax year closes); it could be that an organization wants to enter payroll information and submit remittances for manual payments; it could even be to issue a bonus payment to staff (obviously, this one's everybody's favourite)!

Whatever the reason you might be considering processing an off-cycle payment, let's get into the fundamentals and how easy it can be when you're using a payroll solution like Payworks.

What's the Difference Between an Extra Run, a Bonus Run and an Off-cycle Run?

In the world of payroll, the terms "extra run," "bonus run" and "off-cycle payment" are often used interchangeably (but you can do your future self a favour by distinguishing between two of them – more on that in the "Payworks pro tip" below). They all refer to the act of processing an additional payroll run that falls outside of an organization's regular pay schedule. As an example, a business with a semi-monthly pay schedule would have 24 pay periods in the year. If there's a 25th payment, that's considered an off-cycle payment.

Payworks pro tip: *When processing an off-cycle payment in the Payworks system, clients have the option to categorize it as an "extra run" or a "bonus run." To make reporting easier for yourself down the line, choose "extra run" when processing an off-cycle payment for late hours, pay corrections, retroactive payments or cash payments, as examples. Choose "bonus run" when issuing a yearly bonus, performance bonus or a profit-based bonus payment, as examples.*

Top tips to Determine When to Conduct an Off-cycle Payment

Processing an extra or bonus run is *not* a part of the regular payroll routine – so how do you know when you

should be conducting an off-cycle payment and when you should stay the course and stick to your regular payment schedule? We sat down with our in-house experts to gather a few recommendations on when your organization might want to consider processing an off-cycle payment:

1. When you don't want out-of-the-ordinary payroll information to be grouped with the data from your regular payroll run. This can apply to bonus, cash and retroactive payments, YTD adjustments and more. This allows for more refined reporting capabilities on your off-cycle payments. By choosing an extra or bonus run, that payroll information will be available separately in your payroll reports.

Payworks pro tip: *When you've got an extra run to perform, don't put it off! Ensuring the payment date takes place in the correct tax year means the applicable statutory deductions can be calculated and remitted for compliance and your year-end purposes.*

2. When you want to make remittances for cash payments. By conducting an extra run, your business will be able to calculate and remit the applicable statutory deductions, which is important for payroll compliance.

Payworks pro tip: *Don't forget that, when you use Payworks' Payroll solution, we file remittances on your behalf.*

3. When you want to ensure accuracy (and peace of mind!) for the deductions taking place on staff bonuses. Running these extra payments through a payroll solution like Payworks' can help simplify complex legislation like "The Bonus Tax Method."

Curious to learn more? Check out our deep dive into how vacation pay, deductions, benefits and more apply to bonus payments: https://blog.payworks.ca/a-little-something-extra-how-to-process-bonus-payments.

4. When you want to save time keying in payroll data. This is particularly relevant to bonus runs, which can result in a lot of additional information to process (and is further amplified if you have a big team!).

Payworks pro tip: *It's possible to manually key the bonus payroll data into the Payworks system; however, this can be time consuming. Instead, easily import the data into our system by simply exporting the payroll grid (creating a workbook in Microsoft Excel), populating the bonus line items and importing the CSV file back into Payworks. This makes it easy to import bonus payroll data into the system!*

How Payworks Can Help With Off-cycle Payments

An off-cycle payment can be completed within the Payworks system in eight simple steps, which we get into in detail in the bonus payments blog article mentioned earlier. Navigate to Payroll > Company Setup > Company Info > Run Schedule to get started! Before you process your extra run, ensure you have all of the information required to do so, including:

1. The date on which the extra run needs to be paid out.
2. If you want the employee(s) to receive the payment by direct deposit or cheque.
3. When you would like the employee(s) to receive the corresponding pay statement.
4. The approved value(s) for the payroll grid.

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When to Say 'No' to the CRA

Best Practices in Handling CRA Audits

By James Rhodes, LL.B.

Is the CRA's Request Legal?

The CRA operates under the powers granted to it by statutes like the *Income Tax Act* (ITA) and *Excise Tax Act* (ETA). While it has broad investigative powers under these statutes, these are not unlimited. Taxpayer advisors must understand the CRA's limits on their requests.

Under the ITA, the CRA's main investigative power occurs under section 231.1, allowing it to request and inspect books and records, examine property and require taxpayer co-operation during audits to verify income tax payable.

The CRA's investigative power under section 231.2 allows it to request almost any document or information from anyone, even outside audits, such as in tax collection efforts.

The crucial difference between sections 231.1 and 231.2 is that requests for information and documents under section 231.2, called "Requirements," must be sent to the taxpayer via registered mail or personal service. The CRA cannot use this power without meeting this requirement, so it doesn't apply to phone requests.

A common mistake when dealing with the CRA is not understanding the audit's context. Grasping the context helps determine the scope and what the CRA can't legally request. Not all CRA requests are legally binding; some are just polite requests businesses don't have to fulfil.



Document Retention Policies

Maintaining proper documentation is essential for defending against CRA audits. Under ITA section 230, taxpayers must keep books and records necessary to determine their tax obligations. However, taxpayers should consider the following:

- **What should be retained?** This is the hardest question for any business. The CRA states it includes source documents, correspondence, meeting notes and other documents determining the tax payable. The key question is what is necessary to meet that test. For example, are client notes or emails with clients necessary to be retained when documents exist to establish the tax filing positions?
- **Retention timelines:** While the CRA has no time limit on exercising its audit powers, businesses should consider whether to keep documents longer than the required retention under the applicable legislation.
  - For instance, the CRA might use an indirect verification-of-income method for tax years going back 10 years. If the business has destroyed its records for the oldest years, can it defend itself against CRA assumptions?
  - Another example is that the records of the business's purchases and capitalized repairs of assets should be kept in permanent records and never destroyed. The CRA can challenge the capital cost allowance (CCA) deduction or the computed adjusted cost base (ACB) on a disposition. If the business cannot establish the undepreciated capital cost (UCC) or ACB, this can lead to a costly reassessment to deny the CCA claimed or readjust the gain/loss reported.
- **Electronic records vs. physical records:** The CRA's policy is that an electronic record must be available in its electronic format, but physical documents can be converted to electronic if specific requirements are met.
  - Electronic records come in two formats. The first is physical records scanned or originally available in a permanent document format. The second is the online records of sales and purchases, such as those from an eBay account. The first example will be available as long as the storage is available (protect your hard drive if not saved in the cloud). The second example might require you to ensure that you save screenshots or printouts of the sales because the account details might not be sent to you or saved by the third party.

Protecting Solicitor-Client Privilege

Certain documents may be subject to "privilege" and thus exempt from CRA disclosure, mainly solicitor-client privilege. Privileged information is legally protected and cannot be accessed by the CRA, unlike "confidential" information, which does not have the same legal protection. Businesses should always:

- Train employees to distinguish privileged from non-privileged information;
- Identify privileged documents before responding to CRA requests; and
- Ensure documents referencing privileged information are identified.

Avoiding Common Errors in CRA Interactions

The CRA often tells taxpayers and their agents, such as bookkeepers, that they must comply with its requests immediately. This is false. Before ever answering the CRA, you must understand who you're dealing with, what they request and why you're legally required to produce it. You can ask the CRA officer to put this in writing.

The following best practices can help mitigate mistakes made in responding to the CRA:

- **Verify the audit scope.** Respond only to what is legally required. The audit scope includes the period of time and the applicable legislation. For instance, if auditing under the ITA for the 2024 calendar year, do not provide information from the 2022 calendar year unless the auditor can explain why it is relevant.
- **Try never to provide original documents; always produce copies.** If you produce originals, ensure you retain copies and require the CRA officer to provide you with a detailed receipt for what you have provided. Many disputes often arise when taxpayers claim documents weren't returned, and the receipt doesn't specify the document, leading the CRA to argue it was never provided.
  - HINT: Always have at least a picture (for instance, use your cellphone) of every page sent to the CRA to prove what was provided.
- **Ensure audit requests are reviewed and answered ONLY by a designated employee.** Only trained personnel should interact with CRA auditors. The worst tragedy that can occur is for an untrained employee or external bookkeeper to provide a wrong answer to the CRA, and the CRA subsequently refuses to allow that mistake to be corrected because it's crucial to the tax assessed.
- **Challenge unreasonable requests for documents and deadlines.** CRA auditors must act reasonably and extensions can often be negotiated. Explain your workload and the effort needed to produce records. You're not required to drop everything to meet their requests!

> **The CRA often tells bookkeepers they must comply with its requests immediately. This is false.**

CRA Collections: What to Watch For

CRA collections officers may seek financial information from businesses about clients, employees or suppliers, including:

- Banking details;
- Accounts payable records;
- Trust account transactions; and
- Client asset locations.

Some collection efforts are legitimate, but others may be disguised mini-audits. Taxpayers should verify whether requests are legally enforceable before responding.

Handling CRA Collection Requests

1. **Phone requests:** If a CRA collections officer calls requesting information, do not disclose any details. Given the sensitive information and the proliferation of fraud attempts by people claiming to be from the CRA, all requests should be made in writing.
2. **Written requests:** If served with a written request, check whether it's legally binding under section 231.1 or 231.2. Remember that if it's a requirement under section 231.2, it must be served personally or by registered mail.
3. **Privacy:** Ensure that all disclosures made to the CRA comply with privacy laws, such as the *Personal Information Protection and Electronic Documents Act* (PIPEDA). While the CRA might say it's authorized, that's not the legal test. You and only you are liable if you breached privacy laws by providing information to the CRA.

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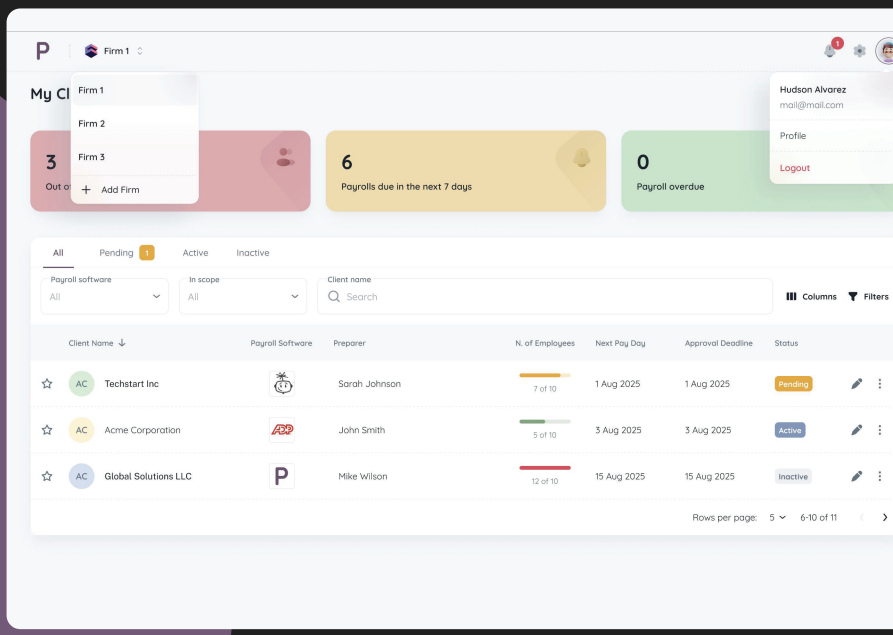
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Final Considerations: Ensuring Compliance While Protecting Your Interests

Firm-Wide Policies in Dealing with the CRA

Businesses should implement policies ensuring consistent, informed responses to CRA inquiries, addressing:

- Who's authorized to speak with the CRA;
- When and how to respond to CRA requests; and
- Procedures for handling privileged and confidential information.

Firm-Wide Policies Dealing with Documentation Retention

Businesses have two considerations: what should be retained regarding their clients' records and what should be retained regarding their own business.

The CRA's Taxpayer Bill of Rights

In dealing with CRA requests, taxpayers have rights that the CRA must respect, including:

- The right to professional, courteous service;
- The right to have audit costs considered; and
- The right to a fair and impartial review.

After receiving a CRA request for documentation that you believe could be unreasonable, or too costly to produce in relation to what it shows or doesn't show, bring up these concerns in advance to the CRA officer, citing their responsibility under the Taxpayer Bill of Rights.

Escalating Disputes and Service Complaints

If, after raising concerns to the CRA auditor or collections officer about what has been requested, or the legality of what is asked for, you are permitted to:

- Request a meeting with the CRA officer's supervisor (often it's a team leader);
- File a service complaint with the CRA; and
- Escalate unresolved issues to the Taxpayer's Ombudsman.

Always remember that outright refusal to provide requested documents isn't the answer. The CRA's next steps can be punitive to you and the client. For instance, the CRA could issue an arbitrary assessment based on their belief about what they think happened, even if it didn't happen. The burden of proof in tax matters is almost always on the taxpayer, so having the CRA make up assumptions of fact can require the taxpayer to dispute that arbitrary assessment all the way to the Tax Court of Canada. Alternatively, they could issue a request under section 238 of the ITA, risking criminal conviction, fines or imprisonment.

Conclusion

Avoiding mistakes with the CRA requires vigilance, tax law knowledge and strategic interactions. Understanding the CRA's audit powers, record-keeping requirements and statutory limitations can help individuals and businesses mitigate risks and protect their financial interests. Implementing firm-wide policies, exercising due diligence and consulting tax professionals when necessary can prevent costly disputes and ensure compliance.

James Rhodes is a tax lawyer (https://taxationlawyers.ca/) who has clerked for the Tax Court of Canada, worked at major accounting and law firms and worked for the Department of Justice, representing the CRA. With over 25 years of experience, he has dealt with tax disputes on all sides and has conducted hundreds of audit disputes, objection disputes and appeals to the Tax Court of Canada.

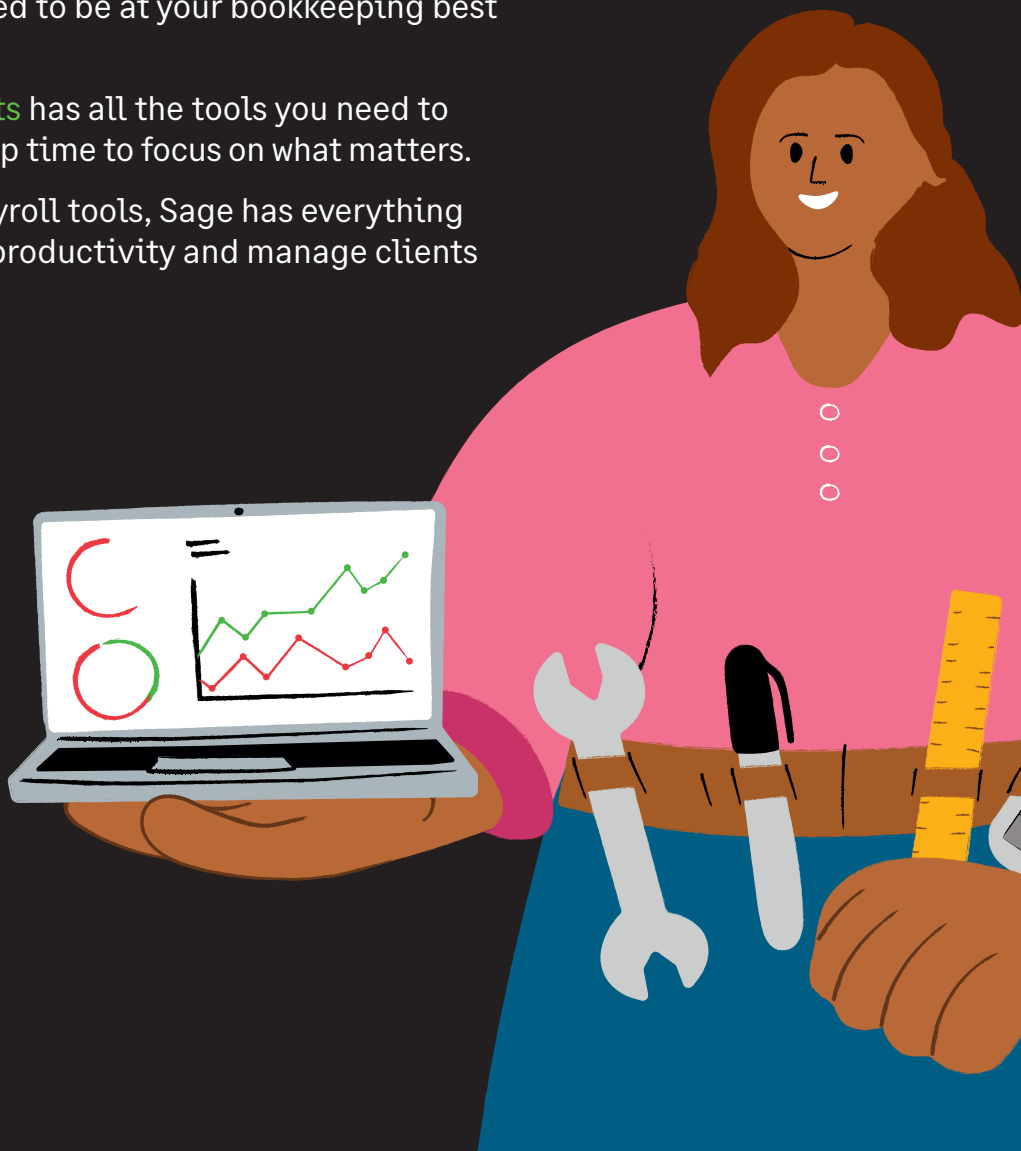
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UNSOLICITED OFFERS? WHAT YOU SHOULD KNOW BEFORE YOU CONSIDER.

Buyers are increasingly reaching out directly to firm owners, often with heavily contingent ("earnout") offers and a false sense of urgency. Most aim to negotiate a Letter of Intent (LOI) quickly to gain exclusivity, leaving the seller without competitive backup offers.

At best, these offers waste your time. At worst, they're a setup to renegotiate terms at the last minute—when you have little leverage.

Even if an unsolicited offer seems promising, it's essential to weigh it against your personal timing and exit goals. In our experience, these deals rarely deliver what sellers initially expect. With no competitive process, buyers will exclusively negotiate a deal with you for extended periods to get more favourable prices and terms for themselves. Owners can capitulate when they don't have backup buyers.

Here are some things to consider:

Price: Private vs. Market Price

Price is ultimately determined by supply and demand. You can optimize demand for your practice by working with an established intermediary who can help you get your firm in front of more ideal buyers than you can on your own. This will help with price, terms and the transition, which are crucial considerations.

When you are presented with an unsolicited offer, keep in mind:

» A buyer will price in their favour. When there are no others to contend with, buyers only need to think of the lowest price they can reasonably pay.

» A buyer may change their price. It's an unfortunate but common tactic for a buyer to make an offer in an LOI only to change it after due diligence. It is also common for buyers to say that this is common M&A practice. In our transactions, it certainly is not.
Remember: *if a buyer hasn't conducted enough high-level due diligence (typically through a practice profile) to make an informed offer, what's the purpose of the LOI? How can the offer be serious?*

Approach: LOI vs Purchase Agreement

When buying or selling an accounting industry practice, it's common practice to use an LOI to document the initial understanding and begin the negotiation process. This may seem efficient but we've seen deals stall or collapse when too much weight is placed on the LOI.

Most LOIs are non-binding; it is just a step toward an actual contract. There is no way to know how serious the offer truly is. Is the buyer offering a high amount with the intent to begin finding reasons to justify discounts? Only time will tell. Three common outcomes of this are:

» Sellers tend to cease negotiations with other buyers, even when an LOI is clearly non-binding. This could mean missing an opportunity with a buyer who's a better fit. If the LOI doesn't pan out, you could lose a lot of time and energy.

» Invasive and sometimes disruptive due diligence can occur before all material terms are negotiated.

» Time kills deals. Most accounting firms are seasonal in nature. What if the window of opportunity for closing before tax season is shut when an unattractive purchase agreement is finally put forward?

If you are a seller presented with an LOI, we typically suggest countering with a purchase agreement. This will often raise an objection from the buyer that they are not ready for such a commitment. Consider that a good thing. This approach will either filter out unserious interest or accelerate progress with a motivated buyer, especially if the buyer is considering other practices at the same time.





Timing: No One to Pace the Deal

Deal fatigue is real. In our experience, lengthy negotiations are often caused by lawyers on either side who overcomplicate the purchase agreement or other documents. This is not necessary. Even relatively large accounting practice deals can be quite straightforward.

By wrapping up the purchase agreement long before the closing date, both parties are free to focus on what matters most: transition planning and positioning the buyer for long-term success.

When the purchase agreement negotiations extend into the final days before closing, buyers can get cold feet without the confidence built by proper strategic transition planning. Complicated, drawn-out negotiations can cause bruised relationships between buyer and seller which can collapse a deal; not to mention the unnecessarily high legal cost.

Fit: One Buyer vs Many Buyers

When a buyer approaches you directly, they're expecting that you won't test the market for multiple buyer options. However, a strategic sale is about finding the right buyer in a competitive environment with the right terms. That's what a professional M&A process delivers.

The ideal outcome is to match your firm with the perfect buyer who values what you have built and will continue to serve your clients and care for your team for years to come.

Poe Group Advisors is the premiere accounting practice intermediary in Canada. We are consistently able to get more money for sellers than they can get themselves. Our experience will help you evaluate and entertain only the most serious and qualified prospects and implement a successful transfer you can be proud of.

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