

Client Records

Accountants have certain obligations to maintain and return client records obtained in the course of an engagement for accounting services. There are many professional guidelines which outline these responsibilities and obligations for accountants.

Circular 230

Treasury Circular 230 generally requires accountants to promptly return all “records of the client” necessary for the client to comply with federal tax obligations. “Records of the client” are specifically defined, as are the exclusions from that definition.

AICPA Code of Professional Conduct

The AICPA Code of Professional Conduct provides that failing to provide client records in response to a client request is a violation of the code of professional conduct. Thus, client-provided and accountant member-prepared records must be returned. The AICPA does not require accountant member work papers to be provided to the client, as they are not considered to be client records.

State-Specific Regulations¹

When a client or former client requests that its records be returned, the accountant is obligated to return original client records promptly, in a time period not to exceed ten (10) business days. Original client records “include those documents obtained by the person on behalf of the client or former client in order for the person to provide professional accounting services to the client or former client and do not include the electronic and hard copies of internal work papers.” Original client records must be returned to the client or former client regardless of the current status of the accountant-client relationship, and the accountant may not charge a fee to provide such records.

Generally speaking, work papers are considered the property of the person who developed the work papers. However, it is important to understand that certain work papers, more thoroughly defined by the Texas State Board of Public Accountancy Rules of Professional Conduct, Rule 501.76, constitute client records.

Subject to limited circumstances related to auditing standards, an accountant must also provide a client or former client with a copy of the client’s tax return or a copy of any report or document previously issued for the client or former client, provided the request is made within a reasonable time after the original issuance of the document. The accountant may charge a reasonable fee for provision of these materials.

¹ Texas State Board of Public Accountancy Rules of Professional Conduct, Rule 501.76.