

## ENGAGEMENT LETTER

I appreciate the opportunity to work with you. The purpose of this letter is to minimize the possibility of a misunderstanding between us about the services I will perform for you.

I will prepare your 2018 Federal and State Individual Income Tax Returns from the information provided by you. At no additional charge, I will electronically file your returns, unless you request otherwise. You represent that this information is accurate and complete to the best of your knowledge. I will review this information and may ask for additional information or clarification of certain items. However, I will not audit or otherwise verify the information provided by you.

**I must receive all of your information by March 31, 2019 to ensure your returns will be completed by April 15, 2019.** If I am not able to complete your returns by April 15, 2019, I will request a six-month extension for the filing of your income tax returns. This extension only extends the filing of the returns and not the payment of tax. Therefore, **you may be subject to late filing or late payment penalties if not all taxes are paid by April 15, 2019.**

Fees for tax preparation services will be based upon the amount of time required at my standard billing rates plus out-of-pocket expenses. All invoices are due and payable upon delivery of the completed tax. Tax returns WILL NOT be electronically filed, mailed or handed over to you without full payment. Your tax preparation fee does not cover additional services requested by you, including tax planning or projections, responding to notices, or audit representation. I am available to assist you with these services at my standard rates.

Your returns are subject to examination by the taxing authorities. It is your responsibility to carefully examine and approve your completed tax returns before signing them. In the event of an audit or other inquiry, you may be requested to produce documents, other evidence to substantiate the items of income and deduction shown on your tax return. I do not maintain copies of all of your original documents. It is your responsibility to retain possession of your completed tax return and all documents and records substantiating the information for a period of seven (7) years and provide such information, if required, for an audit examination. I am not responsible for the disallowance of deductions due to inadequate supporting documentation.

I will use my judgment to resolve questions in your favor where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretation of the law and other supportable positions. I will explain the possible positions that may be taken on your return. I will follow whatever position you request, as long as it is consistent with the law. If a taxing authority should later contest this issue, there may be an assessment of additional tax, interest and penalties. I assume no liability for any such assessment.

All US citizens or residents are required to report their worldwide income on their US income tax returns. Furthermore, all US citizens or residents are required to report all bank or other financial accounts held in a foreign country for which they have a financial interest or authority.

It is important for you to know that the law imposes a penalty if a taxpayer makes a substantial understatement of tax liability. A substantial understatement exists when the tax liability is understated by the greater of \$5,000 or 10%. The penalty is 20% of the tax underpayment.

You should also know that the IRS audit procedures will almost always include questions on bartering transactions and on deductions that require strict documentation such as charitable contributions, travel , meals and entertainment expenses and personal/business usage of vehicles, computers, home offices, and other claimed business deductions. In preparing your returns, I rely on your representations that I have been informed of all bartering transactions and that you understand and have complied with the documentation requirements substantiating your deductions. If you have any questions about these issues, please let me know.

It is my policy to handle the information you provide me with the utmost confidentiality and care. I will collect and hold nonpublic personal information about you from my conversations with you and from worksheets, forms, or other documents provided by you while preparing your tax returns. This information may also include nonpublic personal information about your financial transactions with my office, including the payment of my fees. I maintain physical, electronic, and procedural safeguards to protect your nonpublic personal information to anyone outside my office without your express permission to do so, except if required by law. It is important you know that Federal law does not extend the accountant-client privilege with respect to tax preparation services.

Upon completion of your income tax returns, I will deliver a copy of your income tax returns and return your original documentation that had been provided. It is the policy of my firm to maintain a copy of your income returns for up to four years after the due date of your return. **After this time, my copy of your income tax returns, any copies of your documentation retained by me, and my internal work papers will be destroyed. It is recommended that you maintain your tax information for seven (7) years.**

If any dispute arises among the parties, they agree to first, in good faith, to settle the dispute by mediation administered by the American Arbitration Association (AAA) under its Rules for Professional Accounting and Related Services Disputes. All unresolved disputes shall then be decided by final and binding arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the AAA. Fees charged by any mediators, arbitrators, or the AAA shall be equally shared by all parties. In agreeing to arbitration, we both acknowledge that in the event of a dispute over fees or services, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we accept the use of arbitration for resolution.

If the tax services and terms outlined above are in accordance with your understanding of our agreement, please sign this letter prior to your appointment and return it with your tax information. I appreciate this opportunity to serve you. If you have any questions about this letter or need additional information, please do not hesitate to call.

AGREED TO AND ACCEPTED:

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_