

INDIVIDUAL TAX RETURN ENGAGEMENT AGREEMENT

Please complete and return with your 2016 tax information and Tax Organizer

December 6, 2016

Dear Client:

We appreciate the opportunity to work with you. This letter is to specify the terms of our engagement, clarify the nature and extent of the services we will provide, and confirm an understanding of our mutual responsibilities.

We will prepare your 2016 federal and state individual income tax returns based on the returns you filed last year. Certain individuals may be required to electronically file Form 114, Report of Foreign Bank and Financial Accounts (FBAR) with the U.S. Department of the Treasury. Failure to comply with the filing requirements may result in significant civil and criminal penalties. Unless otherwise specifically agreed in writing, we will not prepare, file, or provide assistance with this form. If you would like to add Form 114 (or any other forms or services) to this engagement, please use the *Comments or Additional Requests* space provided below.

It is your responsibility to provide all the information required to prepare your returns. You represent that the information you provide will be accurate and complete to the best of your knowledge. We will not audit or otherwise verify the information provided, although we may ask for clarification if the information appears to be incorrect, inconsistent, or incomplete. Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover errors or other irregularities, should any exist. **You have the final responsibility for the income tax returns and, therefore, you should review them carefully before you sign and file them.**

Taxpayers are required to maintain all the documents that form the basis of income, deductions, credits and payments shown on the return. In addition, some items have specific substantiation requirements set forth by the IRS (e.g., auto, meals & entertainment, and charitable contributions over \$250, etc.). If you have any questions as to the type of records required, please ask us for advice in that regard. Your signature on this letter confirms that we have advised you of the record keeping requirements.

We will use our judgment to resolve questions in your favor where the tax law is unclear or where there are conflicts between the taxing authorities' interpretation of the law and what seem to be other supportable positions. There may be situations where we are required by law to disclose a position on a tax return. We are not attorneys; therefore, we cannot provide you with a legal opinion on various tax positions. We can, however, advise you of the consequences of different positions. We will adopt whatever position you request on your returns so long as it is consistent with our professional standards and ethics. In the event, however, that you ask us to take an unsupported tax position or refuse to make any required disclosures, we reserve the right to withdraw from the engagement without completing or delivering the tax returns. Such withdrawal would complete our engagement and you agree to pay our fee based on time expended (at our standard rates) plus all out-of-pocket expenses through the date of withdrawal.

Your returns may be selected for examination or audit by tax authorities. In the event of such governmental tax examination, we would be pleased to represent you under the terms of a separate engagement.

The engagement does not include any services not specifically identified above. We may need to perform additional accounting or research services incidental to the preparation of your tax returns. These incidental services will be billed with your tax return, at our standard rates.

Your returns will be required to be filed electronically with the IRS. We will provide you with a copy of your final returns for review prior to electronic transmission. The IRS requires that you sign an e-file authorization form indicating that you have reviewed the return, it is correct to the best of your knowledge, and you authorize us to submit it electronically. We cannot transmit any return until we have the appropriate signed authorizations and payment of our invoice in full. E-filing of state returns varies by tax authority. If e-file is not available, paper copies will be provided for you to sign and mail.

The filing deadline for the tax returns is April 17, 2017. In order to meet this filing deadline, **the information needed to complete the returns should be received in this office no later than March 15, 2017.** If we receive your information after this date, we will make every effort to complete your returns without an extension, but will give priority service to clients who submitted information on time. This means an extension may be filed on your behalf, depending on our workload.

If an extension of time is required, any tax due with these returns must be paid with that extension. Any amounts not paid by the filing deadline may be subject to interest and late payment penalties.

Our fees for these services are based on the amount of time required, which is based on the complexity of the returns, and whether or not you request an appointment. If you need to request an appointment to discuss/review your 2016 information (life event occurred in 2016, etc.), our consultation fee will be waived for the months of December and January. Our fee is due upon completion of the returns. Amounts not paid within 30 days will be charged interest at a rate of 1.5% per month. Checks should be made payable to Joan W. Halter, CPA.

You may terminate this engagement at any time. Should you do so, however, you remain liable for all unpaid fees as discussed above. We reserve the right to withdraw from this engagement at any time because of unpaid fees, the guidance of our professional standards, or for any other reason. We will notify you in advance of any decision by us to withdraw, and will take all reasonable steps to assist in the orderly transfer of your tax services. Otherwise, this engagement will be considered complete upon acceptance of your e-filed returns by the tax authorities. In the event that your returns are not e-filed, you will have final responsibility for mailing your returns to the applicable taxing authorities.

If the foregoing is in accordance with your understanding, please sign the enclosed copy of this letter in the space indicated and return it to us along with your tax information and completed Tax Organizer.

If you have any questions, please do not hesitate to contact us. We appreciate the opportunity to work with you.

Sincerely,

JOAN W. HALTER, CPA

Accepted by:

Taxpayer (parent, if return is for a child under 18)

Spouse (**required** for joint returns)

Date

Date

Comments or additional requests: _____
