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## **2020 ENGAGEMENT LETTER – INDIVIDUAL TAX PREPARATION SERVICES**

This letter is to confirm and clarify the terms of our engagement with you regarding the tax preparation services you have requested for the year ended December 31, 2019. We agree to prepare your Federal and Tennessee (if needed) individual income tax returns for the year 2019 from the information you provide us. We are under no obligation to determine whether you may have a filing obligation with another state however if we become aware of a possible filing requirement then we will notify you and prepare the extra state returns upon your request.

**YOUR RESPONSIBILITIES:** It is your responsibility to provide us with all of the required information to prepare a complete and accurate tax return. You have the final responsibility for your tax return and, therefore, you agree to review them carefully for accuracy and completeness. All documents are required 3 weeks before deadline to ensure we have sufficient time to process the return.

You agree to retain all the documents, cancelled checks, W-2's, and other data that form the basis of your tax return. These documents may be necessary to prove the accuracy of your tax return and it is possible the taxing authority may request confirmation of this information. By submitting this information to us you are representing that you have written documentation of the data provided. We will not verify the information you provide us however we possibly may request some clarification.

**RECORD RETENTION:** Any original documents you provide us will be returned to you upon completion of the tax return and we encourage you to keep these documents in a safe place for at least 5 years. We make copies of some of your documents for our own record purposes but do not expect that we have copied everything you have provided. It is our policy to keep records related to this engagement for 5 years and you agree that upon the expiration of the 5-year period we are free to destroy our records related to this engagement.

**GOVERNMENT INQUIRIES:** The Taxing Authorities may select your return for an audit or inquiry and they possibly will request you to produce documents, records or other data to substantiate some portions of your tax return. It is your responsibility to provide the requested documents. In the event of a tax examination we will be available to represent you, however, such additional services are not included in the fees for the tax preparation engagement.

**PRIOR YEAR TAX RETURNS:** If we discover during this engagement that your prior-year tax returns may be affected, we will make you aware of this situation. However, we are not to be held responsible for identifying all items that may affect your prior-year returns. We will be available to prepare any amended tax returns as a separate engagement.

**DISCUSSIONS WITH THE IRS:** The IRS allows you to give us the authority to discuss, on a limited basis, the various aspects of this year's tax return. You provide this consent by checking a box on the tax return and unless you specifically tell us otherwise we will check that box.

**FEES FOR SERVICES:** Our fees for tax services are based upon the amount of time required for the personnel working on the engagement plus any out-of-pocket expenses. Normally, all invoices are due and payable upon presentation of Tax return with full payment expected prior to filing the tax return with the IRS. Anyone with a refund has the option of using our arrangement with Republic Bank (ask for details) which allows you to delay paying our tax preparation fee until the refund is received (small fee required by Bank).

**EXTENSION OF TAX RETURN:** We understand that sometimes an “extension is required”. If you require an extension to delay the April 15<sup>th</sup> deadline until October 15<sup>th</sup> then please request our “extension request form” and once we receive an executed copy along with a modest \$45 processing fee, we will be happy to file the extension. However, please provide us approximately 2 weeks’ notice to ensure we have sufficient time.

**INCORRECT INFORMATION:** The IRS has the ability to impose penalties on the taxpayer and the tax return preparer for submitting incorrect information. Therefore, we may discuss with you when we perceive there is an exposure to penalties and ask for additional disclosures before we can complete the tax return. If we determine a disclosure is required and you refuse to permit the disclosure then we have the right to withdraw from the engagement and request compensation for work performed.

**COMMUNICATION:** As part of this engagement we may use emails to request and receive required information. We cannot guarantee that emails will not be intercepted by unauthorized third parties. As such, we waive any liability or responsibility for the interceptions or unintentional disclosure of any emails generated as part of this engagement.

**FOREIGN ACCOUNTS:** IRS requires disclosure if any taxpayer has a “financial interest” in bank accounts, securities or other financial accounts exceeding \$10,000 in value in a foreign country. Please check on of these boxes to indicate your status:

- I (we) hold no foreign assets
- I may need to make a disclosure and will provide more info as part of engagement.

**HEALTH INSURANCE DISCLOSURES:** The IRS now requires specific information regarding your health insurance coverage as part of the “Obamacare” laws. As a result, please check one of the boxes below to give us an indication of your insurance coverage. If covered, you should also be receiving health care coverage forms (e.g. 1095-A, 1095-B or 1095-C) and we require a copy to complete your tax return:

- All members of my household were covered by health insurance for all months in 2019
- I chose not to have insurance for at least 9 months in 2019
- I have a special situation and will provide more details in a separate note

**AGREEMENT:** If you are in agreement with the terms of this engagement and want us to proceed with the tax preparation then please fill out the required information and sign below. We look forward to working with you and appreciate your business.

**ACCEPTED:**

Date: \_\_\_\_\_ Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Taxpayer Signature: \_\_\_\_\_ Print Name: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_ Print Name: \_\_\_\_\_

**Please indicate your desire for handling required tax payments or refunds:**

Tax Refunds:  direct deposit to my checking acct  let IRS mail me a check

Tax Payments:  electronic payment from my acct  I will write check and mail payment

Bank Account Info: account no. \_\_\_\_\_ routing no. \_\_\_\_\_