

Patrick & Robinson, LLC - 2012 Business Tax Preparation Engagement Policy



These are the standard terms of our income tax compliance services engagement for your return year beginning in the year 2011. Please read, sign, and return this document. Our policies have been standardized in our **2012 Client Statement of Policies** which overrides any area that might conflict with this policy and can be accessed at www.CPAsite.com (or call us to request a hard copy). Any conflicts between this document and the statement will be resolved based strictly on the statement of policies. If we do not receive your signed engagement, your act of providing us with documents to be used for the preparation of your tax return or the execution of your Form 8879 will be deemed as your agreement with this policy *unless you notify us to the contrary in writing prior to the beginning of our work on your tax return.*

Shared Responsibility – By providing data to us for the preparation of your 2011 federal and/or state income tax returns, you confirm you have engaged us to prepare those tax returns and you will be responsible for the payment of fees connected with our services. We cannot be responsible for the correctness of information you provide; however, we may ask for clarification of some information or acknowledge that some data may not appear to be reasonable or accurate.

Our Responsibility – Our work in connection with preparation of any income tax return does not include any procedures designed to discover defalcations or other irregularities, should any exist. We will comply with all state and federal laws for tax preparation, as well as those of any professional associations of which we are members. We will render such accounting and bookkeeping assistance as determined to be necessary for the preparation of the income tax returns. We will use our judgment in resolving questions where the tax law is unclear, or where there are conflicts between taxing authorities' interpretations of the law and other supportable positions. Unless otherwise instructed by you, we will resolve such questions in your favor whenever possible. Our responsibility for the preparation of your returns will begin when we submit the signed and dated return to you and will end three years from that date. Any unresolved conflicts or disputes in regard to our services to you will be settled by the use of mediation services in the state of Florida.

We will make every effort to have your return prepared by the March 15, 2012 deadline provided that we have received substantially all of your data by Monday, **February 22, 2012**. Thereafter, no completion deadline can be guaranteed. We will submit requests for extensions of time to file on your behalf as necessary, where it is not practical to complete your return for filing, or when you have not submitted your data to us timely. If we are not provided sufficient data to make a reasonable estimate of your tax liability, do not assume that we will prepare your extension unless you specifically request us to do so. Extensions **do not** apply to the payment of any tax due. **Any penalties and interest will be your responsibility!** When extensions are prepared due to late or insufficient data, a minimum fee of \$60 will apply, plus up to \$50 for each state extension required.

Should your return be selected for examination or inquiry as to its correctness, we are available to represent you to the appropriate taxing authority. Any proposed adjustments by the examining agent are subject to certain rights of appeal. Our representation service is not included in our preparation fee, unless the proposed changes are the result of our error. These additional services will be billed separately at our prevailing rates at the time the services are rendered.

Your Responsibility – It is your responsibility to provide all the information required for the preparation of complete and accurate returns, including the basis and purchase dates of assets and investments sold and source documents needed to interpret sources and amounts of income or deductions. All taxing authorities require records to substantiate the activity reported on a tax return. We understand this requirement to include a set of "books," which can be as simple as a working trial balance or as complex as those produced by a comprehensive accounting software system. Because of this requirement, if you do not provide your records in the form of an acceptable accounting it will be necessary for us to prepare these books for you. This work will be outside of the tax preparation service and will likely necessitate an additional fee for accounting. Do not assume that if you provide an accounting using a software system, such as QuickBooks or Peachtree, your accounting is adequate. We will advise you if it is necessary to make significant changes to your accounting records.

You have the final responsibility for the tax return and, therefore, you should review the return carefully for accuracy before you sign and submit it for filing. Upon the completion of your return, all of your documents will be returned to you. You should retain all the documents, canceled checks, bank statements, credit card statements, original invoices and any other data, or their images, that form the basis of amounts included on your tax return for a minimum of three years from the filing date of the return. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. Please do not assume that we will have copies of these

documents should an examination of your return occur. The law provides various penalties and interest that may be imposed when taxpayers understate their tax liabilities, file their returns late, or pay their taxes late. These costs are your responsibility.

Records Retention – We will retain an electronic copy of your return, as prepared, for reproduction for whatever need may arise, for three years past the date our preparation was completed. We may retain certain support documents that you provide as a part of our file, but we will not be responsible for their retention in the case of inquiry on your behalf. It is your responsibility to retain all records necessary to defend your return until the appropriate statute of limitations has passed.

Disclosures – Any requests for copies of our files to third parties will require written authorization in compliance with federal and state laws.

Electronic Filing of Returns - In connection with the Internal Revenue Service's effort to reduce paper processing and improve efficiency, all current year income tax returns prepared by our firm must be filed electronically. This means that it is imperative that we have the correct full name of each taxpayer/K1 recipient as it is registered with the Social Security Administration. We will make reasonable effort to e-File all state returns as well. A surcharge may apply if you request paper filing of your returns to cover the additional forms and paper processing, and we are not obligated to comply with your request.

Terms - Our fees for tax services will be based upon the amount of time required at our prevailing billing rates, plus other direct costs incurred for this service. However, we have established the following *minimum fees*:

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|------|----------------------------|-------|------|------------------|---------|
| 2011 | Forms 1065, 1120 and 1120S | \$750 | 2011 | Form 1041 | \$500 |
| 2011 | Form 990 | \$900 | 2011 | Forms 709 | \$250 |
| 2011 | Form 990-EZ | \$500 | 2011 | State Income Tax | various |

These fees can be explained upon request. State tax returns will be an additional *minimum* of \$250 for each state. Any agreements for fees less than that amount must be made prior to commencement of our preparation work. All invoices are due and payable upon presentation. Amounts not paid within 45 days from the invoice date will be subject to a late payment charge of 1.5% per month (18% per year). We will send you a statement of any outstanding balance at least quarterly. **No return will be prepared unless all previous invoices have been paid in full.** Payment is expected upon delivery of the return unless other arrangements have been made in advance.

Services Not Included – This engagement will not include any financial statement preparation or reporting, renewal of corporate status with your Secretary of State, estate, gift, financial planning, or investment advice; however we are available for these services as a part of a separate engagement, if requested.

If you agree that the above fairly states our tax preparation engagement, please confirm your agreement with a signature on this document and return it to our office, either by mail, email, or as a part of your tax data that you will submit. If you do not provide us with this statement, your act of submitting your tax return data for the preparation services will confirm your agreement. If there are other returns that you expect us to prepare, such as tangible returns, or other forms, please inform us by noting so in the space provided. While we may inquire about other returns during the year, we will not assume that we are to prepare them unless you ask us to do so. If you have not contacted us either by the return of this confirmation or other affirmative method by the first **day of the month your return is initially due** (March 1 in most cases), we will assume that you have made other arrangements for the preparation of your return(s).

Again, thank you for your confidence in our work. We look forward to working with you in 2012. Please let us know how we can help make your financial life easier.

Sincerely,
Patrick & Robinson, LLC
Certified Public Accountants

Accepted by: _____ Date: _____

I am interested in the following additional services: _____

