



## Patrick & Raines, LLC - 2017 Business Tax Preparation Engagement Letter

To promote a clear understanding of our work together, these are the standard terms of our income tax compliance services engagement for your tax return preparation beginning in the year 2018. Additional Affordable Care Act requirements added and updated in recent years, plus new cybersecurity requirements on tax preparers and due diligence on tax credits, makes each year more interesting. Bear with us as we comply with these requirements. We encourage your prompt return of your completed checklist as provided.

This agreement, by reference, includes the terms of our comprehensive **2018 Client Statement of Policies** which supersedes any other communication, unless specifically documented by a written communication from a partner of this firm dated after 1/1/2018. These policies can be accessed at [www.CPAsite.com](http://www.CPAsite.com) (or on paper or by email if requested). Absent your signature below, your act of providing us with substantive documents to be used for the preparation of your tax return, or the execution of your applicable Form 8879, 8878 or 8453, will be deemed as your agreement with this published policy and the terms of this letter *unless you notify us to the contrary in writing prior to the beginning of our work on your tax return.*

**Our Responsibility** – We will prepare your federal and applicable state and local income tax returns in compliance with the Internal Revenue Code, equivalent state and local laws and our professional standards from information you furnish to us, whether written or oral. Unless informed otherwise, we will prepare all required income tax returns indicated from your tax data. We cannot be responsible for the correctness of the information you provide, only the accuracy of the tax return preparation. We will not audit or otherwise verify data that you submit; however, we may ask for clarifications or acknowledge that some data may not appear to be reasonable or accurate.

Our responsibility for the preparation of your returns begins 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 a qualified arbitrator in the state of Florida.

Your returns may be selected for review by the taxing authorities. You may receive inquiries or proposed adjustments by letter, or may be selected for a full examination. We will provide an initial explanation regarding your return preparation and respond to an initial inquiry with no additional fee. **If your return is audited by a taxing authority**, we can represent you. *You will be charged an additional fee if we are asked to assist or represent you in a tax examination or inquiry*, unless the proposed changes are the result of errors from our preparation services. We may require a retainer for more complex matters. **We are not responsible for** disallowed deductions, or the inclusion of additional unreported income or any resulting taxes, penalties or interest. Any proposed adjustments by an examining agent are subject to certain rights of appeal. Our fee for these services will be based upon the amount of time required at standard billing rates plus out-of-pocket expenses, and all invoices are due and payable upon presentation.

**If we make a mistake**, you will know that we have not yet achieved perfection. Since we're still human, we WILL make mistakes occasionally. If it happens, all YOU need to do is to point it out, be nice (please! ☺) and we'll fix it. If we do make an error, you are responsible for additional tax due (it would have been due anyway) and any interest assessed (since you had use of the money), while our responsibility is to pay any penalty assessed. This is fair and honorable.

**Shared Responsibility** – By providing timely data sufficient for to us to substantially prepare your federal and/or state income tax returns, you confirm that you have engaged us to prepare those tax returns and you will be responsible for the payment of fees connected with our services. Business organizer spreadsheets, suitable for small businesses, is available *by request only*. We cannot be responsible for any delay from your data sources after our preparation deadlines.

**Your Responsibility** – You are to provide all information required for the preparation of complete and accurate returns as soon as possible, including all related documents needed to interpret sources and amounts of income or deductions, together with the basis and purchase dates of assets sold. All taxing authorities require records to substantiate the activity reported on a tax return. Business returns are required to have a set of books, or a systematic record keeping system, to support their return. We prefer all transactions be summarized to ensure the accuracy of reported amounts. If you do not provide records in a form which meets that requirement, we will assume that you want us to prepare books for you and that will become part of your accounting for this tax year. This required service may be invoiced as an additional fee. We may also determine that your record keeping is inadequate for completing a tax return, in which case we will not do so.

**You have the final responsibility your tax return** and, therefore, you should review it carefully for accuracy before you sign and submit it for filing. The law provides various penalties and interest that may be imposed for the understatement of tax liabilities, file a return late or pay any taxes late. If you have questions about the potential or actual assessment of penalties or interest, please contact us. **Any late filing penalties and interest are your responsibility!** You should retain all the documents, 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 your return.

**Deadlines** – Note that many filing deadlines changed last year. We will make every effort to have your return prepared by the initial filing deadline provided that we have received substantially all of your data at least three full weeks prior to that date (**February 22, 2018** for calendar years). Thereafter, that completion deadline cannot be guaranteed; however, by paying a “rush” premium, we will make our best effort to meet the initial deadline (i.e. March/April 15) or extended one (i.e. September 15). To maintain the standards of our work, no business tax returns will be started after **March 7, 2018**, unless we confirm your exception prior to February 22nd. We will eFile your extension for time to file as necessary, where it is not practical for us to complete your return for filing, but only if you provide sufficient data to do so by March 7. If you have not provided enough data for us to make a reasonable estimate of your tax liability, do not assume that we will prepare your extension unless you request us to do so. **Extensions do not apply to the payment of any tax due.**

**EXTENSION CHECKLIST – Please check one!**

- No problem...go ahead and plan on extending me.”
- “If you need to...okay, but give me plenty of notice, especially if I’m going to owe. I hate surprises. I agree to get my information in no later than March 7, 2018”
- “I’m on the fence. I’m willing to consider it but I’d really prefer NOT to extend my tax return.”
- “Due to special circumstances I really can’t be extended this year.” Please tell us why: \_\_\_\_\_

**Note:** Please understand that, to accommodate you, we must have all your information no later than February 22, 2018.

- “I just don’t want to be extended.”

**Note:** To accommodate you, we will need to have ALL of your information in no later than February 22, 2018.

**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. Please see our Tax Return Preparation Fee Schedule.

All of our fees can be explained upon request. Other complexities or numerous data sources can increase your total fee. Any agreements for fees below standard amounts must be made prior to commencement of our preparation work. All invoices are due and payable upon presentation. When extensions are prepared due to a delay beyond our control, the same minimum fee of \$75 (plus any time required to project taxes due) will apply, plus up to \$50 for each related state extension. Any other arrangements must be agreed upon prior to the commencement of services. Amounts not paid within 45 days from the invoice date will be subject to late payment charges of 1.5% per month (18% per year). We generally accept credit card payments for invoices for individual returns only. We will send you a statement updating any outstanding balance at least quarterly. We reserve the right to collect for our fee upon presentation should there be a history of late payment. **No return will be prepared until all previous invoices are paid in full.**

**Services Not Included** – This engagement will not include any financial statement preparation or reporting, renewal of corporate status with your Secretary of State, succession, estate, gift, financial planning, or general investment strategy; however we can provide these services in a separate engagement, if requested. In addition, accounting services to provide a complete and accurate set of books to prepare a business tax return are not included in the minimum fees.

If you agree that the above fairly states our tax preparation engagement, please confirm your agreement by signing and returning this document to our office by mail or email, or with of your submitted tax data. If you do not provide us with this statement, your actions noted in the second paragraph above will provide your agreement. If there are other returns that you expect us to prepare, such as tangible returns, or other forms, we must be informed in the space provided. Please disregard if you have already executed another engagement letter for this work. Previous discussions about other work is not sufficient confirmation of our agreement to do so. We must be contacted by our receipt of this executed form or other affirmative method by the first **day of the month your return is initially due** (March 1, 2018 for returns due March 15, for example), or we will assume that you have made other return preparation arrangements for your entity's return(s).

Again, thank you for your confidence in our services. We look forward to working with you in 2018. Please let us know how we can help make your financial life easier.

Sincerely,  
*Patrick & Raines, LLC*  
Certified Public Accountants

I/We agree to the terms of this letter, including the policies referred to above.

Approved by: \_\_\_\_\_ Date: \_\_\_\_\_

I/We am/are interested in the following additional services:

\_\_\_\_\_  
\_\_\_\_\_