

Patrick & Raines, LLC - 2017 Individual 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. **Please complete and return the attached Affordable Care Act checklist** as soon as possible. We realize that the individual mandate has been repealed, but the regulations have not yet changed, so the reporting requirement has not changed.

This agreement, by reference, includes the terms of our standardized **2018 Client Statement of Policies** which supersede any other communication, unless documented in a specific written communication from a partner of this firm. These policies can be accessed at 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, 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 income tax returns in compliance with the Internal Revenue Code, equivalent state 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 a 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. In the event there is a need for any further response, consultation or representation to defend your return, we can be engaged for such support. If you prefer, for a fee of \$100, payable with your returned 8879, we will offer "Notice Protection" and respond to any additional enquiries without further fees. **If your return gets audited**, 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 (**this service is not included in the Notice Protection fee**). We may require a retainer in 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 achieved perfection yet. Since we're still human, we WILL make mistakes occasionally. If it happens, all YOU need to do is point it out, be nice (please! ☺) and we'll fix it. If we do make an error, you are responsible for additional tax that may be due (you would have owed it anyway) and any interest assessed (since you had use of the money); we are responsible 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. For efficiency in the preparation of individual returns, we are happy to provide **electronic or paper organizers by request** to guide you in gathering the necessary information. Costs for printing and mailing may apply. The electronic version is available from our web site; contact us for a password and the procedure to access it. We cannot be responsible for the delay of your data sources which may pass our preparation deadlines.

Your Responsibility – You are to provide all information required for the preparation of complete and accurate returns **as soon as possible**, whether following an organizer or not, including sufficient documents needed to interpret sources and amounts of income or deductions, including the basis and purchase dates of assets sold. All taxing authorities require records to substantiate the activity reported on a tax return. **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. The law provides various penalties and interest that may be imposed when tax liabilities are understated, returns are filed late or taxes are paid late. If you have questions about these penalties or interest, or circumstances where they are assessed, please contact us. **Any late filing penalties and interest are your responsibility!** You should retain all the documents, or their images, that support amounts included on your tax return for a minimum of three years from the filing date of your return.

Deadlines - We will make every effort to have your 2017 return prepared by the initial filing deadline provided that we

have received substantially all of your data no later than **March 26, 2018**. Thereafter, that completion deadline cannot be guaranteed; however, should you wish to pay the "rush" premium we will do our very best to complete the return by April 17. To maintain effective standards of our work, we cannot process any tax returns received after **April 6, 2018**, unless we confirm an exception to this deadline prior to March 23. We will eFile your extension for time to file as necessary, where it is not practical to complete your return for filing, but only if you provide sufficient data to do so by April 8th. If you have not provided sufficient 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 provide my information no later than March 26, 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 March 26, 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 March 26, 2018.

Terms – Our fees for tax services will be based upon the preparation time required at our prevailing billing rates, plus other direct costs incurred for this service. Please see our Tax Return Preparation Fee Schedule. If you have more than 25 investment sales transactions and are not able to provide us with computer readable detail of the purchase and sales transactions, we may charge an additional \$2 per transaction to enter that data. Other complexities or numbers of 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, a minimum fee of \$50 (plus any time required to project taxes due) will apply, plus \$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 accept credit card payments for invoices for individual returns only, if that is your preference. We will send you a statement updating any outstanding balance at least quarterly. **No return will be prepared until all previous invoices are paid in full.**

Services Not Included – This engagement will not include any estate, gift, financial planning or general investment strategy; 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 below or on your completed organizer, and return it to our office, either by mail, electronically, or as part of your submitted tax data. If you do not provide us with this statement, your act of submitting your tax return data for preparation or signing the return will confirm your agreement. If there are other returns that you expect us to prepare, such as tangible or gift tax 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 returning this confirmation or other affirmative method no later than **April 3, 2018**, we will assume you have made other arrangements for the preparation of your 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:

