



**Accounting & Tax Services, Inc.**

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### **Individual Tax Return Engagement Letter**

Dear Client:

Thank you for selecting our firm to assist you with your tax matters. This letter confirms the terms of our engagement with you and clarifies the nature and extent of the services we will provide. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom returns are prepared to confirm the following arrangements.

We will prepare your 2023 Federal and State(s) income tax returns, using information you provide to us. We may ask for clarification of some items but we will not audit or otherwise verify the data you submit. Accordingly, our engagement cannot be relied upon to disclose errors, fraud, or other illegal acts that may exist.

We have enclosed a “Client Tax Organizer” (CTO) to help you gather the information required for a complete return. If you use the CTO, it will help you avoid overlooking important information and contribute to efficient preparation of your returns, which in turn will help keep the cost of our services as low as possible.

In addition, we will prepare your Foreign Bank and Financial Account Report (FBAR) and /or Foreign Account Tax Compliance Act (FATCA), using information you provide to us on CTO, if applicable.

It is your responsibility to provide all the information required for the preparation of your tax return. By doing so, you are confirming that all the information you are supplying to us is accurate and complete to the best of your knowledge and that any expenses claimed for meals, travel, business gifts, education, vehicle usage, transportation, charitable contributions etc. are supported by records as required by law. In addition, we will presume you are residing in the State where your address is listed. Remember, even if you need to travel to a client location away from the home office that may not make the rental or travel expenses deductible.

You should keep all documents for 7 years, canceled checks and other data that support your reported income and deductions, as this data may be necessary to prove the accuracy and completeness of the returns to a taxing authority. We are not responsible for the disallowance of doubtful deductions or inadequately supported deduction or for any resulting taxes, penalties or interest. You are responsible for the returns, so you should review them carefully before you sign them. It is not our responsibility to verify your deductions or exemptions or to audit your tax return.

We will use our professional judgment in preparing your returns. Whenever we are aware that a possible applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (e.g., tax agencies and courts), we will explain the possible positions that may be taken on your return. We will adopt whatever position you request on your return as long as it is consistent with the codes, regulations, and interpretations that have been promulgated. If the Internal Revenue Service should later contest the position taken; there may be an assessment of additional tax plus interest and penalties. We assume no liability for any such additional penalties of assessment.

In the interest of expediting our services, we may communicate with you through electronic devices such as – e-mail, fax, secure website etc. such communications may include information that is confidential to you. While we use our best efforts to keep such communications secure in accordance with our obligations under applicable law and professional standards, you recognize and accept that we have no control over unauthorized interception of these communications once they have been sent and consent to our use of these electronic devices during this engagement. We will not providing confidential information or copies of your returns to anyone other than you without your specific, written authorization.

We will retain copies of records you supplied to us along with our work papers for your engagement for a period of four years. After four years, our work papers and engagement files will be destroyed. All of your original records will be returned to you when you receive your copy of the return. You should keep the original records in secure storage. You should permanently keep a copy of all tax returns. A fee will be charged for any additional copies of any records you request from our office.

We do not automatically file tax extensions for clients. You must notify us in writing via e-mail or fax if you wish us to file an extension. If your return is extended, it does not relieve you from paying any tax due by the original due date. Failure to pay any tax due with the extension may subject you to various penalties and interest, and will make your extension ineffective for avoiding the late filing penalty of 5% per month (up to a total of 25 %).

Full payment of your tax preparation fee is required before we will electronically file your return or release the paper return to you. Insufficient funds checks returned to us by the bank will incur an additional \$50 fee, and if we have to take collection action to collect our fees, any and all costs of collection, including attorney fees that we incur, will be added to the final amount to be collected.

We have the right to withdraw from this engagement if you do not provide us with any information we request in a timely manner, refuse to cooperate with our reasonable requests, or misrepresent any facts. Our withdrawal will release us from any obligation to complete your return and will constitute completion of our engagement. You agree to compensate us for our time and out-of-pocket expenses through the date of our withdrawal.

Your return(s) may be selected for audit by a taxing authority. You agree to immediately notify us upon the receipt of any correspondence from the taxing authority related to this service covered by this letter. Our fee does not include responding to inquiries or examination by taxing authorities. However, we are available to assist you in preparation for any audit, as well as to attend any audit. Our fees for such services will be billed separately.

We appreciate the opportunity to serve you. Please write your name, sign and date the enclosed copy of this letter to acknowledge your agreement with and acceptance of your responsibilities and the terms of this engagement. It is our policy to initiate service after we receive the signed engagement letter along with CTO and required tax documents to prepare your return.

Sincerely,  
**RR Accounting & Tax Services, Inc.**

**Taxpayer Name:** \_\_\_\_\_ **Spouse Name:** \_\_\_\_\_  
(If married)

**Taxpayer Signature:** \_\_\_\_\_ **Spouse Signature:** \_\_\_\_\_  
(If married)

**Date:** \_\_\_\_\_ **Date:** \_\_\_\_\_