

**ENGAGEMENT LETTER**  
**2018 Tax Season**  
**\*\*\*PLEASE READ THIS ENTIRE DOCUMENT\*\*\***

Dear Client:

Thank you for choosing Advantage Tax & Accounting, Inc. We are pleased to provide you with professional accounting services to assist you with the preparation of your 2018 Income Tax Return(s). This engagement letter serves to confirm a complete understanding between Advantage Tax & Accounting, Inc (herein after in this document referred to as we, our, and us), and you, the Client (herein after in this document referred to as you or your), of the terms and objectives of our engagement and the nature and limitation of the services we will provide you. **It is important that you read this entire engagement letter then sign and return it to us with your tax documents. If we do not have a signed engagement letter from you, the preparation of your tax return will be delayed. If you have any questions, please contact us for clarification.**

**Client Responsibilities**

We will prepare your federal and state (if applicable) individual income tax returns for the tax year ending 2018 from information you furnish us. **You represent that you will provide us with information which, to the best of your knowledge is complete, true and correct, and that you have disclosed all relevant facts affecting the return(s).** Most tax liabilities are due no later than April 15, 2019 for individual and businesses. There are exceptions such as estimated taxes. Please call us if you have questions concerning this.

We will perform accounting service only as needed to prepare your tax returns and we will make no audit or other verification of the data you submit, although we may need to ask you for clarification of some information. Penalties of as much as \$100,000 can be imposed on you for failing to disclose participation in "reportable transactions". For prompt completion of your taxes, please provide any and all information necessary to file your return. All information is kept confidential -- no one can get your information from us without your permission, except for a government agency following due process of law.

**You are responsible for the proper recording of financial activities, for the safeguarding of assets, and for maintaining the accuracy of your financial records.** In your records, you should retain all documents necessary to support the data used in completing your tax return(s) including but not limited the auto, mileage logs, travel, and related expenses, canceled checks, charitable contributions and other supportive data (at least 7 years) that forms the basis of income and deductions. These may be necessary to prove the accuracy and completeness of returns to a taxing authority. **You have the final responsibility for the information on your income tax returns and, therefore, you should review them carefully before you sign and file them.** You must contact us immediately if you discover additional information that will lead to a change in your return(s), or if you receive any letters from the IRS, state or local taxing authorities.

**Tax Return Preparation**

We must use our judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. In order to avoid penalties, we will apply the "more likely than not" reliance standard to resolve such issues. You agree to honor our decisions regarding the need to make protective disclosures in your returns.

Our services are not intended to determine whether you have filing requirements in other taxing jurisdictions than the one(s) you have informed us of. We are responsible only for positions taken on the current-year return and not for those on returns for previous years prepared by another firm or preparer.

If we discover information that affects prior-year tax returns, we will make you aware of the facts. However, we cannot be responsible for identifying all items that may affect prior-year returns. If you become aware of such information during the year, please contact us to discuss the best resolution of the issue. We can discuss preparing appropriate amended returns as a separate engagement which will be billed separately from the preparation of this year's tax returns.

If you request an extension of time to file your federal and/or state income tax return, we will assist in the preparation of extension(s). **An extension (of time to file) is not an extension of time to pay.** All tax liabilities are due no later than April 15, 2019.

**Tax Audits & Examinations**

The IRS audit procedures will almost always include questions on bartering transactions. Additionally, evidence for deductions requires strict documentation such as all charitable contributions, shareholder loans, travel and entertainment expenses, and expenses for business usage of autos (i.e. mileage logs), cell phones, and computers. We rely on your representations that we have been informed of all bartering transactions and that you understand and have compiled the documentation requirements for your deductions. The IRS continues to add due diligence requirements for any individual claiming on EIC. We appreciate your understanding as we may request additional documentation. If you have questions, please ask.

Returns may be selected for examination by taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. If an examination occurs, we will represent you if you so desire; however, these additional services may require an additional fee for preparation. Occasionally mistakes are made. Please inform us right away if you receive any letters from the government. We will not be held liable for any omission of data, forms or material misrepresentation. We do correct returns for free and pay any penalties, if we are at fault. However, we are not responsible to pay any taxes owed.

**Record Retention**

Our records and files are our property and are not a substitute for your own records. In accordance with our firm's current document retention policy we will retain our accountants work papers for your engagement for seven (7) years. The balance of our engagement file is our property, and we will provide copies of such documents at our discretion and if compensated for any time and costs associated with the effort. If you should need replacements, we will provide additional copies at our standard copying fees. After seven years, we will destroy our work papers and files. Physical deterioration or catastrophic events may result in our firm's records being unavailable before the expiration of the above retention period.

**Payment Terms**

Fees vary based on the time required to complete an accurate filing. Billable time will vary based on the technical difficulty of your return as well as the organization of your information.

We will not e-file any return without the proper signed authorization form. We are not responsible for penalty or interest incurred as a result of a return not being filed on time because we don't have the proper authorizations.

**Payment for your return is due upon completion, or before e-filing return(s).**

**Confirmation of Agreement & Acceptance**

If you have any further question, please don't hesitate to ask and please keep a copy of this letter with your files. The foregoing is in accordance with your understanding.

I/we have read the Engagement letter for Advantage Tax & Accounting, Inc and agree to its terms. Please sign below in the spaces provided.

Acknowledged \_\_\_\_\_,2019:

\_\_\_\_\_  
**Taxpayer Signature**

\_\_\_\_\_  
**Spouse Signature**

**NOTE: BOTH MUST SIGN THIS DOCUMENT IF MARRIED (Exception: Surviving Spouse)**