

# Engagement Letter for Tax Return Preparation

Dear \_\_\_\_\_,

Thank you for choosing Lisa Hill Tax & Accounting to assist you with your taxes for the period ending \_\_\_\_\_. This letter is to inform you, our client, of what services we can provide to you, what responsibilities you have, and what our responsibilities are.

## **Tax Preparation**

We are trained to prepare taxes, and held accountable for our judgment in tax matters. We will use our judgment to prepare your return to your best overall advantage in a manner consistent with the law. However, the law clearly holds you accountable for the accuracy of your return. We cannot act upon information that we do not have. Therefore, we will prepare your tax return based on the information you provide to us.

Any information that you provide to us should have documentation to support it. This does not necessarily mean that we must see the documentation, but you must be able to provide it, and in some cases we will ask to review your documentation. We can provide guidance concerning what evidence is acceptable. Estimates of your expenses are not acceptable. You must have written records. You must be able to provide the written records of all items included on your return if audited by the IRS or state tax authority.

All of your tax records should be kept for a minimum of 3 years. We retain certain documents for a period of 7 years. After this period, the documents are destroyed in a safe manner. If you should require additional copies of your tax return after the closing of the tax season, there will be a charge of \$ 10 per return. Your return may be submitted to you in an electronic format through a secure file transfer for no additional fee. Your email address, phone, and mailing address will be required for this purpose.

Our tax return preparation does not include bookkeeping or other accounting services. Please come prepared with your documents in order and items totaled where needed.

We will endeavor to complete your return by the appropriate deadline. However, we will not guarantee to complete your return by the deadline if we are still missing information with less than two weeks remaining, or if you bring in your return within the last two weeks. If it is not completed on time, an extension will be filed. Please note that an extension gives you more time to complete the return, but it does not give you more time to pay any tax due.

## **Fees & Payment**

All preparation fees are invoiced per tax return, per year. Our fees are based on the complexity of your tax return, as well as any additional expenses such as postage. If any return requires more than reasonable time to prepare (extensive research; excessive time to prepare), you will be billed an hourly rate of \$ \_\_\_\_/hour. We will try our best to give you an accurate estimate of your expected fees. Because of unforeseen or changed circumstances might affect this original fee estimate, your actual fees may vary from the original fee estimate. Once the return is complete, we ask that it is paid for and picked up in a timely manner. In the event that it is not paid, we will not file the tax return or release it to you.

If you have submitted a check (or other form of payment such as fee collect) for payment that bounces, you are responsible for payment in cash of the original tax prep fee plus an additional \$ 25. If it is left unpaid, we will send a notice. If it is still left unpaid, it will be submitted to the Attorney General for collection. You are responsible for any court or attorney fees. Once this has happened, we will no longer accept any form of payment from you except cash.

**Liability**

You agree that you do not hold Lisa Hill Tax & Accounting, liable for damages, unless caused by our gross negligence or willful misconduct. If you should receive a notice from a taxing authority, you must send us a copy within 5 days of receiving the notice. In the event of an examination or other government contact, we will do our best to answer questions to resolve the matter. We are able to provide limited assistance with an audit. You will be billed for expenses such as faxes, travel, time, or amending a return (unless it is of our own doing).

**Privacy**

As your service provider, we collect information provided by you on government documentation, banks, brokerage house, your own notes, and our discussions. We are committed to the safekeeping of your confidential information and we maintain physical and electronic safeguards to protect your information. We are required to keep all information about our engagement confidential. We will not disclose any information about you unless we have your approval as require by law (Rev. Proc. 2008-35), even if you are no longer a client. If you would like your records released to a third party, such as a bank or mortgage lender, you must sign a disclosure statement, which we have provided a copy of. In no circumstances will your information be forwarded to a third party without your written consent. Your written consent may include an email from your own email account (not someone else's).

**Important Notice**

This engagement letter will apply to all future years unless the agreement is terminated in writing, by either you or the tax preparer.

By signing below, you acknowledge that you have read, understand, and accept your obligations and responsibilities and that you understand our responsibilities and limit of liability in preparing your tax return as explained above. For a joint return, both taxpayers must sign.

Thank you again for choosing Lisa Hill Tax & Accounting to prepare your returns. We appreciate your business.

Sincerely,

\_\_\_\_\_  
Tax Preparer

Accepted by:

Taxpayer Name Printed \_\_\_\_\_

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

Date \_\_\_\_\_

Spouse Name Printed \_\_\_\_\_

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

Date \_\_\_\_\_