

SALAS ACCOUNTING LLC.

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1040 - INDIVIDUAL TAX RETURN ENGAGEMENT LETTER

Print Client Name: _____

Dear Client:

Thank you for selecting Salas Accounting LLC. to assist you with your tax affairs. This letter confirms the terms of our engagement with you and the nature and extent of services we will provide.

We will prepare your 2018 federal and all state income tax returns you request 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. An "Organizer" to help you gather the information required for a complete return will be provided upon request. If you use the Organizer, it will help you avoid overlooking important information and contribute to efficient preparation of your returns. That helps keep the cost of our services as low as possible.

It is your responsibility to provide information required for preparation of complete and accurate returns. You should keep all documents, canceled checks and other data that support your reported income and deductions. They may be necessary to prove accuracy and completeness of the returns to a taxing authority. You are responsible for the returns, so you should review them carefully before you sign them. Tax returns will not be electronically filed until we receive signed consent forms included with your returns. If filing a joint return, both taxpayer and spouse must sign the consents.

Our work will not include any procedures to discover irregularities. The only accounting or analysis work we will do is that which is necessary for preparation of your income tax returns.

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.

Penalties of as much as \$100,000 can be imposed on you for failing to disclose participation in "reportable transactions," that is, certain arrangement the IRS has identified as potentially abusive. We will insist that all such transactions be properly disclosed.

The law also imposes penalties when taxpayers understate their tax liability. If you have concerns about such penalties, please call us.

Your returns may be selected for audit by a taxing authority. Any proposed adjustments are subject to appeal. In the event of a tax examination, we can arrange to be available to represent you. Such representation will be a separate engagement for which an engagement letter will be provided to you.

Fees and expenses for defending the returns will be invoiced in accordance with terms we agree on for that engagement.

Our fee for preparation of your tax returns will be based on the amount of time required at standard billing rates plus out-of-pocket expenses. All invoices are due and payable upon presentation. To the extent permitted by state law, an interest charge may be added to all accounts not paid within thirty (30) days. **An invoice will be generated for extra copies of tax returns, including via E-mail and Fax.**

We will retain copies of records you supplied to us along with our work papers for your engagement for a period of seven years. After seven years, our work papers and engagement files will be destroyed. All of your original records will be returned to you. You are responsible for making arrangements to pick up your original documents. You should keep the original records in secure storage.

To affirm that this letter correctly summarizes your understanding of the arrangements for this work, please sign the enclosed copy of this letter in the space indicated and return it to us.

We appreciate your confidence in us. Please call if you have questions.

Sincerely,

Jeanette Salas

(Both husband and wife must sign for preparation of joint returns)

Accepted By: (T) _____

(S) _____

Date: _____

Please be advised of the following: Tax returns will not be worked on until this engagement letter is signed and returned to our office.