

Individual Income Tax Preparation Engagement Letter

We appreciate the opportunity to work with you. To minimize the possibility of a misunderstanding between us, we are setting forth pertinent information about the services we will provide for you. We will prepare your 2023 federal (& state if applicable) tax returns from information you furnish to us. To assist you in gathering and organizing the necessary information required for the preparation of your returns, we have provided the enclosed tax organizer. Providing us with the completed organizer will help to ensure that you are not overlooking important information that may be necessary for complete and accurate returns and may help to minimize our fees.

We must receive all information to prepare your returns by April 1, 2024, to ensure that your returns will be completed by April 15, 2024. If we have not received all your information, we cannot guarantee that your returns will be completed before the deadline. If we prepared your prior year returns and we are unable to contact you and/or complete your current returns, we will assume that you want us to prepare an application for automatic extension of time to file your returns. You should keep in mind that this would be an extension of time to file the returns; however, any tax estimated to be due would need to be paid with the extension request. We assume no liability for late filing or late payment penalties.

You are confirming that you will furnish us with all the information required for preparing the returns. This includes, but is not limited to, providing us with the information necessary to identify (1) all states and foreign countries in which you “do business” or derive income (directly or indirectly) and (2) the extent of business operations in each relevant state and/or country. We will not audit or verify the data you submit, although we may ask you to clarify it, or furnish us with additional data.

We will use our professional judgment in preparing your returns. Whenever we are aware that a possibly 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. In accordance with our professional standards, we will follow whatever position you request, as long as it is consistent with the codes, regulations, and interpretations that have been promulgated. If a taxing authority 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 or assessments. In the event, however, that you ask us to take a tax position that in our professional judgment will not meet the applicable laws and standards as promulgated, we reserve the right to stop work and shall not be liable for any damages that occur as a result of ceasing to render services.

The law provides for a penalty to be imposed where a taxpayer makes a substantial understatement of their tax liability. Taxpayers may seek to avoid all or part of the penalty by showing (1) that they acted in good faith and there was reasonable cause for the understatement, (2) that the understatement was based on substantial authority, or (3) that the relevant facts affecting the item’s tax treatment were adequately disclosed on the return. You agree to advise us if you wish disclosure to be made in your returns or if you desire for us to identify or perform further research with respect to any material tax issues for the purpose of ascertaining whether, in our opinion, there is “substantial authority” for the position proposed to be taken on such issue in your returns.

If you and/or your entity have a financial interest in, or signature authority over, any foreign accounts, you may be subject to certain filing requirements with the U.S. Department of the Treasury, in addition to the IRS. Filing requirements may also apply to taxpayers who have direct or indirect control over a foreign or domestic entity with foreign financial accounts, even if the taxpayer does not have foreign account(s). By your signature below, you agree to provide us with complete and accurate information regarding any foreign accounts that you and/or your entity may have had a direct or indirect interest in, or signature authority over, during the above referenced tax year.

Finally, please note that although our firm will use our best efforts to ensure that your returns are successfully transmitted to the appropriate taxing authorities, we will not be financially responsible for electronic transmission or other errors arising after your returns have been successfully submitted from our office.

In addition, your confidentiality privilege can be inadvertently waived if you discuss the contents of any privileged communication with a third party, such as a lending institution, a friend, or a business associate. We recommend that you contact us before releasing any privileged information to a third party. If we are asked to disclose any privileged communication, unless we are required to disclose the communication by law, we will not provide such disclosure until you have had an opportunity to argue that the communication is privileged. You agree to pay any and all reasonable expenses that we incur, including legal fees, that are a result of attempts to protect any communication as privileged.

By signing below, you understand and agree that you are responsible for the accuracy and completeness of the records, documents, explanations, and other information provided to us for purposes of this engagement. You have the final responsibility for the income tax returns and, therefore, you should review them carefully before you sign them. You agree that our firm is not responsible for a taxing authority's disallowance of deductions or inadequately supported documentation, nor for resulting taxes, penalties, and interest.

Fees for our services will be at our standard rates plus out-of-pocket expenses. Payment is due when service is rendered and interim billings may be submitted as work progresses and expenses are incurred. To file your tax return to the IRS (& other agencies) our firm must receive the following items. 1) Signed 8879 E-file Authorization, 2) Signed Engagement Letter, and 3) Payment for services rendered. You acknowledge and agree that failure to pay your invoice for services rendered may result in penalties and interest should your return miss any state or federal filing deadlines. We shall not be liable for any damages that occur as a result of any unfiled returns.

We are responsible for preparing only the returns listed above. Our fee does not include responding to inquiries or examination by taxing authorities. However, we are available to represent you. Our fees for such services are at our standard rates and would be covered under a separate engagement letter.

It is our policy to keep records related to this engagement for 7 years. However, we do not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

If any dispute arises among the parties hereto, the parties agree to first try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its applicable rules for resolving professional accounting and related services disputes before resorting to litigation. Costs of any mediation proceeding shall be shared equally by all parties.

If the above fairly sets forth your understanding, please sign this letter and return it to us.

We are pleased to have you as a client and look forward to a long and mutually satisfying relationship.

Sincerely,

Kirchner & Jordan CPAs
Kirchner & Jordan CPAs

Taxpayer: _____ Date: _____

Spouse: _____ Date: _____