**Thompson Flaherty**

Certified Public Accountants

Tax Return Preparation, Consulting and Accounting Services

ENGAGEMENT POLICY STATEMENT

Dear Client:

We appreciate the opportunity of serving you and advising you regarding your income taxes and/or accounting needs. To ensure a complete understanding between us, we are setting forth the pertinent information about the services that we propose to provide for you.

**Tax Work:**

We will prepare your federal and state income tax returns based on information you furnish to us. We will not audit or otherwise verify the data you submit to us, although we may ask you to clarify some of it. In order to timely file your tax returns, we need all required information no later than 20 days prior to the tax filing deadline. You may be required to request an extension if we do not receive all required information by the above date.

We will use our judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities’ interpretation of the law and other supportable positions. Unless otherwise instructed by you, we will resolve such questions in your favor whenever possible.

It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You represent that there is adequate substantiation to support deductions for any expenses claimed on the return. **You are ultimately responsible for the accuracy of your return and should review it carefully before signing it.**

You should retain all the documents, canceled checks, and other data which form the basis of income and deductions. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority.

Your returns may be selected for review by the taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination, we will be available upon request to represent you and will request a retainer before performing such services.

If there is an error on the return resulting from incorrect information supplied by you, or due to your subsequent receipt of amended or corrected tax forms (W-2’s, 1099’s, K-1’s), you are responsible for the payment of any additional taxes which would have been properly due on the original return(s), along with any interest and penalties charged by the IRS.

**Accounting and Consulting:**

Our services come in the form of a tax return, financial statement, letter, report preparation, along with consultations, meetings or phone calls. Our fees are based upon several factors. We have spent many years becoming very knowledgeable and educated in tax and accounting matters. In addition, we are required to continue our education annually to maintain our licenses. When you contact us it is because you need our knowledge and assistance with something, this is when our time becomes billable. If you call our office with a “general” question that we can quickly answer, we consider this a courtesy service and you will not be billed for our time. Phone calls requiring research, business or personal planning, tax compliance, etc. will be billed in accordance with our billing policy.

**Billings:**

Any estimate we give is based upon information you **initially** provide to us. Actual fees may vary as circumstances change and/or new corrected information is made available. All fees and costs incurred to prepare your income tax returns are due and payable before the returns are released from our office.

You will receive a full paper or pdf of your return. Any additional copies will incur a service charge of $30.00. We reserve the right to hold the completed returns until your account is paid in full. **An E-file authorization signature and payment in full is required before any tax return can be electronically filed or released.**

If your return is for a closely held corporation, partnership, limited liability company, or other entity, the person signing that return agrees to be personally liable for our fees if the entity does not pay. Finance Charges will accrue at 1.5% per month after 45 days of the invoice date. Uncollected invoices will be subject to submittal with collections and incur a collection fee plus Finance Charges.

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**Payments:**

We reserve the right to require retainers at our discretion. New clients will be requested to remit a retainer. New client status will remain in effect for the first twenty-four (24) months of service. The retainer is an estimate of work to be performed; and additional amounts may be due.

Accounts unpaid for 60 days will require that we cease rendering service until your account is brought current. In the event we stop work or withdraw from this engagement as a result of your failure to pay on a timely basis for services rendered, we shall not be liable for any damages/penalties incurred as a result of our ceasing to render services.

The client has ten (10) days from the invoice date, to voice any objections or questions regarding the invoice or any portion or element thereof. After the ten (10) day period all invoices shall constitute acceptance of the invoice as submitted and payment in full will be expected within the required time frame. Any courtesy billing adjustments given are honored for fourteen (14) days. After fourteen (14) days, the invoice must be paid at the full rate and the courtesy adjustment shall be null and void. Any Non-Sufficient Funds check will be charged an additional $50 fee.

Either party may terminate this agreement upon giving a (10) days written notice. Should this agreement be terminated prior to completion of services, we will prepare a final bill showing the total fees incurred for services rendered. This amount will be due and payable upon presentation.

Please be advised that certain communications involving tax advice between you and our firm may be privileged and not subject to disclosure to the IRS. If you disclose the contents of those communications to anyone, or turn over information about those communications to the government, you may be waiving this privilege. To protect your rights, please consult with us or your attorney prior to disclosing any information about our tax advice.

If, after reading this letter, you agree to the terms and conditions set forth herein, please sign below and return this letter in the enclosed envelope.

We again would like to express our appreciation for this opportunity to serve you.

Yours very truly,

Thompson Flaherty

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# Acknowledgment

Having read and fully understood the engagement letter, I/we agree to engage Thompson Flaherty in accordance with the terms indicated. I/we understand the returns and/or Accounting services are to be prepared from information I/we provide and that the final responsibility for a complete and accurate return/services rests with me/us. It is also my/our responsibility to review and understand the information on the returns prior to signing and filing them.

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Date

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Print Name (Taxpayer) Company Name (if applicable)

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Signature

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Print Name (Spouse)

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Signature

**We must have a signed Engagement Policy Statement signed and in our records before we can commence on work requested.**

We may terminate our representation of you if you insist that we pursue objectives that we consider imprudent, unprofessional, or unethical or if we feel further representation is not warranted for personal reasons. Regardless of the reason for termination, you are obligated to pay for services provided and costs incurred through the date of termination.