



**INDIVIDUAL TAX RETURN ENGAGEMENT LETTER**

We appreciate the opportunity to work with you. The Internal Revenue Service imposes penalties upon taxpayers and tax return preparers for failure to observe due care in reporting for income tax returns. This letter is to specify the terms of our engagement, clarify the nature and extent of the services we will provide, and confirm an understanding of our mutual responsibilities.

We will prepare your 2021 federal income tax return and, if appropriate, your 2022 federal estimated tax vouchers. You are responsible for providing true, correct and complete information about your tax matters. We will make no audit or other verification of the data you submit, although we may need to ask you for clarification of some of the information. We will furnish you with organizers to guide you in gathering the necessary information. Your use of such forms will assist in keeping pertinent information from being overlooked and keep our fee to a minimum.

You represent that the information you are supplying is accurate and complete to the best of your knowledge and that records as required by law support your expenses for meals, travel, business gifts, charitable contributions, dues and memberships, and vehicle use. You should retain all documents, cancelled checks and other data that form the basis of income and deductions. All original client documents will be returned to you. It is your responsibility to retain and protect your records for possible future use, including any potential examinations by any governmental or regulatory agency. We will rely, without further verification, upon information you provide to us and information provided from third parties.

Our work in connection with the preparation of your income tax return does not include any procedures designed to discover fraud, thefts, or other irregularities, should any exist. We will contact you if during the engagement we become aware of any such material errors. We will render such accounting and bookkeeping assistance as we find necessary for the preparation of your income tax return. We will use our judgment to resolve questions in your favor where a tax law is unclear if there is reasonable justification for doing so. Whenever we are aware that a possible applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (IRS or Courts), we will explain the possible positions that may be taken on your return. We will follow whatever position you request, so long as it is consistent with the current codes and regulations and their interpretations. If the IRS or state tax authorities should later contest the position taken, there may be an assessment of additional tax, interest and penalties. We assume no liability for any such additional tax, interest, and penalties or other fees and assessments. When a self-employed taxpayer reduces taxable income by electing accelerated depreciation (Sec 179 and/or bonus) there is a reduction in earned income reported to the Social Security Administration, which could reduce current and future benefits for the taxpayer and his or her dependents. You acknowledge understanding and agree to current tax reduction elections and the potential negative effects on future social security benefits for you, your spouse and any dependents.

This engagement does not include responding to inquiries by any governmental agency or tax authority. If your return is selected for examination or audit, you may request that we assist you in responding to such inquiry. Any items that may be resolved against you by the examining agent are subject to certain rights of appeal. However, our fees for preparing your tax returns do not include representing you in the case of an examination of your tax return or responding to any other inquiry regarding your tax return.

Privacy laws established by the IRS prohibit us from providing confidential information or copies to anyone other than you without your specific written authorization. At times we may communicate with you or third parties (at your direction) by fax, email or by web portal and these communications may include confidential information. While we use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept that we have no control over the unauthorized interception of these communications once they have been sent.

**In order to protect your privacy we will not provide your tax refund or amount due by telephone or by email.** It is our policy to retain tax returns and related documents for a period of six years, after which time we will commence the process of destroying the contents of our files. If you no longer use our services we will destroy your records after a period of three years.

Our fees for services will be based upon our standard billing rates plus any out-of-pocket expenses incurred. All invoices will be due and payable upon completion of your tax return unless other arrangements are made. Fees charged for tax preparation do not include tax planning or responding to IRS inquiries. If your return has been processed and there will be an additional charge to change your return for any additional information.

**You have final responsibility for your income tax return(s) and, therefore, you should carefully review your return(s) before you sign form(s) for e-file.** Both taxpayers must sign a jointly filed tax return. If you prefer to mail your return let our office know as there are additional procedures.

If an extension to file is requested, any tax due must be paid with the extension. It is your responsibility to determine the amount to be sent with your extension. Any amounts not paid by April 18, 2022 will be subject to interest and late payment penalties. Tax information received too close to the filing deadline will most likely be extended. It is your responsibility to make your quarterly estimated tax payments for the current year even if your tax return is extended.

We appreciate the opportunity to be of service to you. **Please sign and date this engagement letter.** We will begin the preparation of your return after we have a signed engagement letter.

*Marcia Pelton*

WHB Accounting Services, LLC

Sign below if the terms described in this letter are acceptable and are hereby agreed to. If filing a joint tax return, the signer is assumed to have his/her spouse's full agreement and permission to sign on their behalf.

**SIGNATURE** \_\_\_\_\_ **DATE** \_\_\_\_\_

List of common documents needed to prepare your return.

- Copy of 2020 & 2019 tax returns, if not prepared by this office.
- Form(s) W-2 (wages)
- Form(s) 1099 (retirement, social security benefits, interest, and dividends)
- Schedule(s) K-1 (income / loss from partnerships, S corporations, trusts and estates)
- Form(s) 1098 (mortgage interest)
- Brokerage statements from stock, bond or other investment transactions
- Closing statements pertaining to real estate transactions
- Any tax notices received from the IRS or other taxing agencies

Please check the box for any additional services requested:

- State Income Tax Return(s) Which states are required? \_\_\_\_\_
- Bookkeeping assistance for tax preparation
- Form FinCen 114 – A return must be filed if you have a financial interest in any foreign accounts
- Gift Tax Returns-Due date is the same as individual tax return including extension