

# K & R TAX ACCOUNTING SERVICES, LLC

## 2016 1099-MISC/1096 - ENGAGEMENT LETTER

I (printed company name) \_\_\_\_\_ have engaged K & R Tax Accounting Services, LLC to prepare my Federal 1099-Misc and 1096 Annual Summary of US Transmittal Returns for the tax year ending on December 31, 2016. I understand that it is my responsibility to provide K & R Tax, all of the information required to complete these documents. In that regard, I state to of the best of my knowledge that:

1. I have provided true, correct, and complete information on my subcontractors from form W-9, as well as income that was paid to them. I understand that it is my responsibility to provide all of the information necessary to complete these documents including but not limited to correct social security numbers, EIN's, spelling of each subcontractor's name, and their correct address.
2. I agree that it is my responsibility to retain for a minimum of three years all the documents used to substantiate the items of income as well as the required W-9 forms. I have maintained written documentation to support all amounts paid to each subcontractor. I understand that tax authorities may examine my 1099-MISC, 1096, and W-9 documentation, and that I should retain it to support the information provided to K & R Tax.
3. I understand that K & R Tax will not audit or otherwise verify any information outside of the scope of preparing the 1099-Misc and 1096 documents for the Federal government.
4. I understand that I will be charged an additional fee if K & R tax is asked to assist or represent me in any tax examination or respond to ANY IRS INQUIRY. I understand that, in the event of any error, **I am responsible for additional tax, penalties, and interest** that may be due.
5. I understand that K & R Tax **must** receive all tax documents (Form W-9 for each contractor and a written spreadsheet of the total amount paid to each subcontractor) and this signed engagement letter **by FRIDAY JANUARY 6<sup>th</sup>, 2017** in order to meet the IRS filing deadlines of January 31, 2017 for 1099-Misc delivery and 1096 submission to the IRS. If I submit any documentation after this date, K & R Tax will not prepare my 1099's unless prior arrangements have been made.
6. **I agree to pay K & R Tax \$30 dollars per 1099-Misc created and \$30 dollars to complete the composite 1096 Transmittal returns. I also agree to pay a \$15 USPS certification mail requirement/or Electronic Filing fee.**
7. I agree to provide my subcontractor with his or her copy of the Form 1099-MISC by **January 31, 2017** without exception. If I fail to do this I will not hold K & R Tax responsible.
8. I understand that payment must be made to K & R Tax upon delivery of my 1099's, without exception. I will have the opportunity to review these documents prior to the certified mailings or electronic submission. Payments can be made via direct deposit, personal check, debit/credit, or cash.
9. I understand that any checks returned for insufficient funds will be charged a service fee of \$35 and that interest will accrue at the rate of 1.5% per month on any unpaid balance. A collection agency and/or small claims court will be used to collect this unpaid balance if necessary.
10. Any tax work from a previous year is outside the scope of this engagement letter. Each time I require the assistance and action of K & R Tax that does not pertain to the 2016 preparation of 1099's/1096, I agree to sign a separate engagement letter and am subject to a separate fee schedule.
11. I understand that K & R Tax will not disclose my information to any party except as required by law. I understand that K & R Tax **cannot safeguard communications** through e-mail, telephone, or any third party vendors (websites, software vendors, internet service providers, phone carriers, etc.) that are used in the communication and delivery of information. As such, I agree to hold K & R tax harmless for any breach of third-party vendor security.

Submission of my tax documents as well as this engagement letter **constitutes my consent for K & R Tax to prepare my 2016 1099-Misc and 1096 Transmittal documents.** I have reviewed all provisions of the engagement letter and agree to them. This engagement letter must be signed before K & R Tax will begin work.

\_\_\_\_\_  
Business Owner Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Business Owner Printed Name and Company

*K&R Tax Accounting Services LLC*

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