K&R Tax Accounting Services, LLC

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1040 Personal Tax Return

Engagement for Service

Please read this letter carefully. We want you to understand the scope of the services you have asked us to perform. If you are confused at all by this letter or believe we have misunderstood the parameters of this project, please call us before you sign it.

This engagement letter represents the entire agreement regarding the services described below and supersedes all prior negotiations, representations or agreements, (written or oral) regarding these services.

The Internal Revenue Service imposes penalties on taxpayers, and on us as return preparers, for failure to observe due care in reporting for income tax returns. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom we prepare tax returns to confirm the following arrangements.

We will prepare your 2018 Federal and (insert state(s)) ____ Individual Income Tax Return and applicable schedules from the information you furnish to us. We will not audit, review, compile (unless previous arrangements have been made) or otherwise verify the data you submit. We may, however, ask you to clarify some of the information.

__________Please submit all of your data (including this document) at one time in an organized and summarized worksheet on or prior to March 25, 2019. You can summarize your data in an Excel document, a Word document, in neat handwriting, or a QBW file format (Quick Books). We will furnish a tax organizer and/or questionnaire to help you gather and organize the necessary information for us, if you request one. Please note: Documentation submitted after March 25, 2019 may not be complete by the filing deadline (4/15/19).

We are responsible for preparing only the Federal 1040 and State(s) individual tax return. Once payment and your signature on form(s) 8879 has been received, your return will be electronically submitted to the Internal Revenue Service. Any other required services, forms, or other actions on our part requires a separate engagement letter.

__________Please note that we will no longer file your tax return until payment has been made in full. We will not make any exceptions to this provision for any person or business regardless of relationship or past practices. You may pay for your services in cash, with a check, bank draft (no fee) or on a credit/debit card (debit/credit transactions will be assessed an additional 3% processing fee).

Our fee does not include responding to inquiries or examination by taxing authorities, but we are available to represent you if such an occasion should arise. If you receive any letters from the IRS or any state tax authorities and need help to resolve the issue you must contact us immediately. Please note that our fees for such services are billed at our standard hourly rates and would be covered under a separate engagement letter. You are typically granted 30 days to resolve such issues. If you neglect to respond to the inquiry in the specified time frame, we reserve the right to refuse assistance to you in the resolution of the issue. We will not sign a Power of Attorney under any circumstance. It takes a combined effort to resolve any tax issues and it is our desire to work together on any tax complication.

__________It is your responsibility to maintain, in your personal records, the documentation necessary to support the data used in preparing your tax returns. This documentation includes but is not limited to auto, travel, and meal expenses. If you have any questions as to the type of records required, please ask us for advice in that regard. It is also your responsibility to carefully examine and approve your completed tax returns before electronic filing. We are not responsible for the disallowance of doubtful deductions or inadequately supported documentation, nor for resulting taxes, penalties and interest. If an error on your tax return is caused by us, and additional tax and penalties are incurred, we agree to pay only the interest penalty through the date of the initial notice.

__________We do not automatically file tax extensions for clients-you must notify us in writing, or email or phone call if you wish us to file an extension, and the notification should include your estimate of any balance due with the extension. Failure to file an extension may make you subject to various penalties and interest. Additionally, if your return is extended it does not relieve you from paying any tax due on the due date or making quarterly estimated tax payments for the current year. Failure to pay any tax due with the extension or failure to pay quarterly estimated tax payments may make you subject to various penalties and interest. Filing an extension give you until 10/15/19 to file your taxes. You must submit all documentation to us by 9/15/19 in order to guarantee that your work will be finished by the 10/15/19 deadline. Disengagement letters will be sent to all clients who do not submit their documentation by this date unless prior arrangements have been made.

When a self-employed taxpayer reduces taxable income there is also 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 and agree to the current tax reduction and the potential negative effects on future social security benefits for you, your spouse and any dependents.

New privacy laws were established by the IRS and we are now prohibited from providing confidential information or copies to anyone other than you without your specific written authorization. To comply with these new regulations, we provide all copies of all returns to you in a secure web portal in an attempt to protect your identity. We have extended the storage on the portal to an infinite period, where you may have continuous access to your documents. For this service, we have added a $10 charge to each invoice. Your use of this portal is limited to lawful income tax related documents and will be maintained and accessible to you for up to 3 years. You will be notified via e-mail when a copy of your taxes or tax documents are available in the portal. You will also be provided with a unique password to access these files. You recognize and accept that we have no control over the unauthorized interception of these communications once they have been sent and agree to our use of these devices during this engagement.

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 all reasonable expenses that we incur, including legal fees, that are a result of attempts to protect any communication as privileged. 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 information to a third party.

It is our policy to keep records related to this engagement for three years after which they are destroyed. 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 you and/or your entity have a financial interest in any foreign accounts, you are responsible for providing our firm with all the information necessary to prepare Form TD-F-90-22.1 required by the U.S. Department of the Treasury on or before June 30th of each tax year. If you do not provide our firm with information regarding any interest you may have in a foreign account, we will not be able to prepare any of the required disclosure statements and penalties may be due, for which we have no responsibility. In the absence of such information being provided we will presume you do not have any foreign assets or financial interests and will not file any applicable disclosure forms without separate written authorization.

Our services will conclude upon delivery of the completed income tax returns discussed above or upon our suspension of services or resignation from the engagement.

From time to time various lenders may request that we sign, for you, some verification of income, employment or tax filing status. Because we were engaged only to prepare your income tax return, without examination, review, audit or verification our insurance carriers as well as the state board of accountancy prohibit us from signing any such document and we suggest that you have them send IRS Form 4506 to the IRS to obtain such verification. There is an additional fee assessed at our hourly rate for any bank/mortgage interactions, letters, calls, emails etc.

You agree, to the fullest extent permitted by law, to limit the liability of K&R Tax Accounting Services for any and all claims, losses, costs, and damages of any nature whatsoever, so that the total aggregate liability of the accounting firm to you shall not exceed the accounting firm's total fee for services rendered under this agreement.

K&R Tax and you agree that this limitation applies to any and all liability or cause of action against the K&R Tax, however alleged or arising, unless otherwise prohibited by law. Both parties agree that there is a one-year limitation period to bring a claim against us for errors and omissions. The one-year period will begin upon the date of the tax professional's signature on the tax returns covered by this engagement letter.

We appreciate the opportunity to serve you. Please date and sign the enclosed copy of this letter to acknowledge your agreement with and acceptance of your responsibilities and the terms of this engagement. It is our policy to initiate services after we receive the executed engagement letter. If any provision of this agreement is declared invalid or unenforceable, no other provision of this agreement is affected, and all other provisions remain in full force and effect.

Signature

I have read the Fee Agreement, Notices, and Engagement Agreements. As demonstrated by my signature set forth below, I understand the parameters of this engagement and approve of the terms. (If signing for a joint return, only one signature is necessary.)

Printed Name	Signature	Date

Required information (write 'NA' in the fields that do not apply)

What is the best phone number for office communication? (list only one)	
What is the best email for office correspondence? (list only one) **Note - This will also be the email that you use to access officetoolsportal.com (document sharing software)	

Banking info for refund/liability	Bank Name	Routing #	Account #	I do not want direct deposit/withdrawal

Driver's license info for taxpayer and spouse (if applicable)	State	Number	Issue Date	Expiration Date
Name:				
Name:				

Please answer the following questions regarding your 2018 personal tax return.

QUESTION	ANSWER	ADDITIONAL INFO
Did you add any children or other dependents to your household in 2018?	○ Yes ○ No	• If yes, please list name, dob, and SSN.
Did your address change in 2018/2019?	○ Yes ○ No	• If yes, please list
Will you be attempting to obtain financing to purchase a home or rental property?	○ Yes ○ No	• If yes, please contact your lender and find out how much income you need to show in order to qualify for a loan. $_______________
Did you have an **Obamacare/Marketplace** Health Insurance policy?	○ Yes ○ No	• If yes, please submit form 1095-A with your documents. • If no, write what type of insurance you did have?
Do you have money in a foreign bank account?	○ Yes ○ No	• If yes, please list the acct number and balance