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CERTIFIED PUBLIC ACCOUNTANTS

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**INDIVIDUAL INCOME TAX PREPARATION ENGAGEMENT LETTER**

Dear Client,

This letter is to confirm and specify the terms of our engagement with you and to clarify the nature and extent of the services we will provide. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom returns are prepared to confirm the following arrangements.

**TAX RETURN PREPARATION SERVICE**

We will prepare your 2024 federal and state income tax returns from information which you will furnish to us. We will not audit or otherwise verify the data you submit, although it may be necessary to ask you for clarification of some of the information. We will furnish you with questionnaires and worksheets to guide you in gathering the necessary information.

It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You should retain all the documents, cancelled checks and other data that forms the basis of income and deductions. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. You have the final responsibility for the income tax returns. Therefore, you should review them carefully before you sign and mail them or sign the authorization form allowing me to transmit the electronic file.

Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover defalcations and/or irregularities, should any exist. We will render such accounting and bookkeeping assistance as determined to be necessary for preparation of the income tax returns.

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 render additional invoices for the time and expenses incurred.

**FEES AND EXPENSES**

Our fees for tax services will be based on the complexity of the income tax returns, plus out-of-pocket expenses. All invoices are due and payable upon presentation. If for any reason the account is turned over to an outside agency or attorney for collection, an additional charge equal to collection costs (i.e.: agency fees, attorney fees, court costs, etc.) will be added.

## **COMPLIANCE WITH IRS REGULATIONS**

The Internal Revenue Code and regulations impose preparation and disclosure standards with noncompliance penalties on both the preparer of a tax return and on the taxpayer. To avoid exposure to these penalties, it may be necessary in some cases to make certain disclosures to you and/or in the tax return concerning positions taken on the return that don't meet these standards. Accordingly, we will discuss tax positions that may increase the risk of exposure to penalties and any recommended disclosures with you before completing the preparation of the return. If we conclude that we are obligated to disclose a position and you refuse to permit the disclosure, we reserve the right to withdraw from the engagement and you agree to compensate us for our services to the date of withdrawal. Our engagement with you will terminate upon our withdrawal.

The IRS permits you to authorize us to discuss, on a limited basis, aspects of your return for one year after the return's due date. Your consent to such a discussion is evidenced by checking a box on the return. Unless you tell us otherwise, we will check that box authorizing the IRS to discuss your return with us.

## **RECORD RETENTION**

It is our policy to keep records related to this engagement for five years. However, we do not keep any of your original records; therefore, we will return those to you upon completion of the engagement.

When records are returned to you, it is your responsibility to retain and protect the records for possible future use, including potential examination by governmental or regulatory agencies.

By signing the engagement letter, you acknowledge and agree that upon the five-year period, we are free to destroy our records related to this engagement.

## **OTHER MATTERS**

The return(s) may be selected for review by the taxing authorities. In the event of an audit, you may be requested to produce documents, records, or other evidence to substantiate the items of income and deduction shown on a tax return. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of a tax examination, we are available, upon request, to represent you. However, such additional services are not included in the fees for the preparation of the tax return(s).

Any controversy or claim arising out of or relating to this contract or engagement, or breach thereof, except actions by us to enforce payment of our professional services, shall be settled by arbitration administered by the American Arbitration Association under its Arbitration rules for Professional Accounting and Related Services Disputes, and must be filed within one year from the completion of the engagement, notwithstanding any statutory provision to the contrary.

In the event of arbitration or other claim brought against us, any judgment you obtain shall be limited in amount, and shall not exceed the amount of the fee charged by us, and paid by you, for the services set forth in this engagement letter.

In no event will we be responsible for any additional tax that may be assessed against you or any interest or penalty that may be assessed against you with respect to such additional tax.

Our firm's tax planning services are a separate engagement and separate fee. If you are interested in discussing this service, please contact us for more information.

We have the right to withdraw from this engagement, in our discretion, if you don't provide us with any information we request in a timely manner, refuse to cooperate with our reasonable requests, or misrepresent any facts. Our withdrawal will release us from any obligation to complete your returns and will constitute completion of our engagement. You agree to compensate us for our time and out-of-pocket expenses through the date of our withdrawal.

If the foregoing fairly sets forth your understanding, please sign the enclosed copy of this letter in the space indicated and return to our office along with your tax documentation. However, if there are other tax returns you expect us to prepare, please inform us by noting so at the end of the return copy of this letter.

We want to express our appreciation for the opportunity to work with you.

Very truly yours,  
A Dowl Knight & Company, PC



A Dowl Knight, CPA

Accepted By: \_\_\_\_\_  
Taxpayer's signature

\_\_\_\_\_  
Spouse's signature, if applicable

Date: \_\_\_\_\_

\*\*\*\*\*If you would like an electronic copy of your returns, please let us know!\*\*\*\*\*