

## Income Tax Return Engagement Letter

To: McAlarney & Brien, Inc.

I have engaged your firm to prepare my Individual Federal and State income tax returns for the current year ended December 31. In that regard I state that, to the best of my knowledge and belief:

1. I have provided true, correct and complete information regarding my income as listed on the attached Forms W-2, 1099 and /or attached written summaries. I understand that it is my responsibility to provide all the information necessary to complete the returns. I have reviewed my records and have confirmed that I am not missing any 1099 forms.
2. I will retain for 4 years all the documents, receipts, canceled checks and other records required to substantiate the items of income and expense claimed on my return.
3. I understand that my return will not be processed if I have not completed the Organizer provided by your firm. In addition, if I have a self-employed business or rental properties, I will also complete those respective Organizers provided by your firm.
4. I have provided true, correct and complete information regarding amounts I have provided to you to claim as tax deductions, and have maintained written documentation supporting all amounts, including logbooks and receipts. I understand that if a question arises regarding the interpretation of tax law and a conflict exists between the tax authorities' interpretation of the law, and other supportable positions, that you will use your professional judgment in resolving the issues.
5. I understand that taxing authorities may examine the returns, that documentation should be retained to support the information provided to you, especially business travel and entertainment deductions, business % of autos and other assets, and barter activities, and that penalties may be imposed on returns that are late, underpaid or incorrect.
6. I understand that you will not audit or otherwise verify any information, that you may require clarification or additional information, that you are not responsible for disallowed deductions, or the inclusion of additional unreported income or any resulting taxes, penalties or interest.
7. I understand that I will be charged an additional fee if you are asked to assist or represent me in a tax examination, including answering any letters, notices or statements I receive from the taxing authorities. I understand that, in the event of preparer error, I am responsible for additional tax that may be due, but that the extent of your responsibility is to pay for any penalty that the IRS or State may assess.
8. I will contact you immediately if I discover additional information that will lead to a change in my return, or if I receive any letters from the IRS or State.
9. I understand that your bill will be due and payable upon completion of these returns, and that additional services will not be performed until the bill for these services is paid in full.
10. I understand that your bill be based upon the complexity of the return. Your firm will bill a "base fee" that will cover Form 1040, MA Form 1, Federal Schedules A and B. All other forms and schedules will be billed based on complexity of the form. Base fee will start at \$350, increasing with complexity of base return forms. Your firm will bill \$35 for mandatory e-filing.
11. I understand it is my sole responsibility to provide you with all information required per your missing items list that you create for me, and that your firm will NOT phone or email me any reminders regarding this list. If my return was started in February then I accept an automatic extension if my return is not completed by March 10. If my return is started in March, I have till March 25 before an automatic extension is filed. If my return is started after March 20 and I am very organized and have no missing items, my return might be done without an extension. I am aware that your firm has a policy with regards to Extensions and agree that if I did not contact you or send you my tax info, then your firm will NOT file an extension unless I contact you. I agree that if you have received my tax info then there is an implied authority for your firm to file an automatic extension based on the preceding paragraph. I agree to pay an additional fee of \$75 if an extension is necessary.
12. I also agree to pay for any out of pocket costs incurred by you on my behalf (postage, fed-ex, etc.). I understand that if you prepare a non-Mass tax return, or additional state returns that I will be invoiced for an "REP fee" of \$45 for each additional state return. In addition if I need more than one state tax return prepared, each additional return is billed at \$150.
13. I acknowledge that **email** has to a large degree replaced phone calls. Therefore, any emails that I initiate requiring you to provide advice and answers may be billable for the time you spend researching, clarifying and responding to my inquiry.
14. **I understand that if I employ household help that I may be liable for payroll taxes, and I will contact you for assistance in this matter.**
15. I understand that if you need to reprint my tax return due to my omission of important facts or data that I will be charged **\$45 as a reprint fee** plus any time involved to discuss the matter to a satisfactory resolution.
16. I acknowledge that your firm provides me with a copy of my tax return (paper, email). Therefore, if I need a copy of my return and opt to have you reprint it rather than copy my own copy that I will be billed \$25 for this service.
17. "Kid returns" – all kid returns will start at a \$160 (this includes the e-filing fee of \$35).

If there are other services or tax returns that I expect you to prepare, such as estate, gift, sales, fiduciary, or other state returns, I will note them at the bottom of this letter.

Understood and Accepted by,

Sign \_\_\_\_\_ Date \_\_\_\_\_ Print Name \_\_\_\_\_