



Till & Butler CPAs, PLLC
 Certified Public Accountants

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CLIENT ENGAGEMENT LETTER

Dear Tax Client:

Thank you for choosing Till & Butler CPAs to prepare your income tax return(s) for tax year 20__ . This letter is to set forth the terms and objectives of the engagement and to clarify the nature and limitations of the services we will provide for you.

We will prepare your federal and state return(s) for the tax year based on information you provide. It is your responsibility to provide all necessary information related to income and deductions for the tax year. Please respond to our inquiries in a timely manner so that we can accurately complete your return(s) before the appropriate due dates. You represent that the information you are supplying to us is accurate and complete to the best of your knowledge. We will not verify the information you give us, however, we may ask for additional clarification of some information. Our fees (described below) will be higher when you need us to perform bookkeeping/accounting services in order to prepare your tax return. Those fees are typically billed by the hour.

Our fees for services will be billed on an hourly or per form basis. By engaging us to prepare your return, you agree to pay for services rendered even if you terminate the engagement prior to completion of the return. Schedules are available in our office upon request and may incur a copy fee. Amounts not paid within thirty days from the invoice date will be subject to a late payment charge of 1.0% per month (12% per year). We cannot provide subsequent services if you have an unpaid or delinquent account with us. If, for any reason the account is turned over for collection, an additional 33¹/₃ % will be added to the account to cover collection costs.

Our engagement cannot be relied upon to disclose errors, irregularities or illegal acts, including fraud or defalcations, that may exist; however, we will inform you of any such matters that come to our attention. There may be fraud shortages and other embezzlement shortages that you may feel are material and this engagement will not detect it.

As you know, your returns are subject to examination by taxing authorities. In the event of an audit, you may be requested to produce documents, records, or other evidence to substantiate the items and deductions shown on your returns. If an examination occurs, we will represent you if you so desire, however, these additional services are not included in our fee for preparation of your tax returns. It is important for you to know that the law imposes a penalty if a taxpayer makes a substantial understatement of tax liability. For individual taxpayers, a substantial understatement is when the understatement for the year exceeds the greater of 10% of the tax required to be shown on the return, or \$5000.00. The penalty for understatement is 20% of the tax underpayment. You should know that IRS audit procedures will usually include questions on bartering transactions and on deductions that require strict documentation, such as travel and entertainment expenses and expenses for business usage of autos, home, and computers. In preparing your returns, we rely on your representations that we have been informed of all bartering transactions and that you understand and have complied with the documentation requirements of your expenses and deductions. If you have any questions about these issues, please contact us.

If, during our work, we discover information that affects your prior year returns, we will make you aware of the facts. However, we cannot be responsible for identifying all items that may affect prior year returns. If you become aware of such information during the year, please contact us to discuss the best resolution of the issue.

You should also understand that all reports and workpapers produced by Till & Butler CPAs, PLLC may be examined by someone other than our office during a peer review, quality review, inspection, IRS investigation, or court order without violating client confidentiality statutes.

Again, we appreciate the opportunity to serve you. If you have any questions or need additional information, please contact us.

Sincerely,

Till & Butler CPAs, PLLC

Acceptance by Tax Client:

Printed Name(s) of Taxpayer(s): _____

 Taxpayer's/Authorized Signature

 Spouse's Signature

 Date

 Date

Title, If a Business- _____