



INDIVIDUAL TAX RETURN ENGAGEMENT LETTER

Dear Individual Tax Client:

This letter is to confirm and specify the terms of my engagement with you and to clarify the nature of the tax services I will provide.

I will prepare and submit to you for filing the (year) federal and North Carolina state income tax returns. If additional state tax returns are required, they will also be completed. This engagement only pertains to the (year) tax returns and does not include any additional returns you may be required to file with other taxing authorities.

I will prepare the tax returns relying on the information and documents that you are providing to me. It is your responsibility to provide me with timely and complete information and documentation for the preparation of your returns. I might ask you to clarify certain items that you furnish to me, but I will not audit or verify any of this information.

Your cooperation and timeliness are essential in order for me to complete this engagement. *It may be necessary to prepare an application for an extension of time to file the (year) return when I do not receive your tax information 30 days prior to the due date of your return.* Applying for an extension of time to file may extend the time available for a tax authority to undertake an audit of your return or may extend the statute of limitations. An extension only allows additional time to file a return, it does not extend the time to pay any taxes that are due.

I will use professional judgment in resolving questions where the tax law is unclear or where there may be conflicting interpretations of the law and other supportable positions. Unless otherwise instructed by you, I will resolve such questions in your favor whenever possible.

The law provides various penalties and interest that may be imposed on taxpayers for underestimated tax liability. If you would like more information on the amount or circumstances of these penalties, please contact me.

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. These standards differ. Unless the preparer has a reasonable belief that any tax position in the return will more-likely-than-not be sustained on its merits, a preparer penalty will be imposed unless that position has a reasonable basis and is adequately disclosed in the return via disclosure on a Form 8275. And, while a preparer penalty might be avoided by adequately disclosing the return

position, the taxpayer might not have to disclose the position in order to avoid applicable taxpayer penalties. If I determine that I would be subject to a preparer penalty by delivering the return to you, you agree to either adequately disclose that position on the return or change the position to one that would not subject me to penalty.

If you do not choose to change your position or adequately disclose to eliminate, in my sole opinion, my exposure to the preparer penalty, I, in my sole discretion and at any time, may withdraw from the engagement without completing or delivering tax returns to you. Such withdrawal will complete our engagement, and you will be obligated to compensate me for all time expended and to reimburse me for all out-of-pocket expenses through the date of our withdrawal.

Your returns may be selected for review by the taxing authorities. If your tax return is selected for examination or audit, you may request that I assist you in responding to such inquiry. In that event, I would be pleased to discuss aiding you under the terms of a separate engagement for that specific purpose. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination, I will be available upon request to represent you and will render additional invoices for the time and expenses incurred.

In addition, you may request that I perform additional services not contemplated by this engagement letter. Engagements for additional services may necessitate that I amend this letter or issue a separate engagement letter to reflect the obligations of both parties. In the absence of any other communications from you requesting such additional services, my services will be limited to and governed by the terms of this engagement letter. Although I am available to provide you with tax planning advice, I am not to do so unless you specifically request it.

If I receive a subpoena or summons requesting that I produce documents from this engagement or testify about the engagement, I will notify you prior to responding to it. You may, within the time permitted for my firm to respond to any request, initiate such legal action as you deem appropriate to protect information from discovery. If you take no action within the time permitted me to respond or if your action does not result in a judicial order protecting me from supplying requested information, I might construe that inaction or failure as consent to comply with the request.

My fees for this engagement will be based upon the time and forms required to complete your returns billed on a per form rate. My fees will be billed and is payable upon receipt of your tax return and at the time the tax return is electronically filed. Invoices unpaid 15 days past the billing date may be subject to an interest charge. I reserve the right to suspend my services or to withdraw from this engagement in the event my invoices are not paid. If my services are terminated, you will be obligated to reimburse me for all costs through the date of termination.

My maximum liability to you arising for any reason relating to services rendered under this letter shall be limited to the amount of fees you paid for these services. In the event of a claim by a third party relating to services under this letter, you will indemnify us from all such claims, liabilities, costs and expenses, except to the extent determined to have resulted from our intentional or deliberate misconduct.

If any dispute arises (between/among) the parties hereto, the parties agree first to try in good faith to settle the dispute through non-binding mediation. The costs of mediation shall be shared equally by the parties.

The parties agree that, if any dispute cannot be settled through mediation, the dispute may then be brought before a court of competent jurisdiction, but the matter will ultimately be decided by the court, sitting without a jury. **The parties recognize they have knowingly and voluntarily agreed to waive all rights to have any such dispute determined by a jury**, but otherwise retain all rights afforded under the applicable civil justice system.

You should retain all documents and data that form the basis of income and deductions as these may be needed to prove accuracy and completeness of your returns. You have the final responsibility for reviewing, signing and sending

in your return to the applicable taxing authorities. In the event information is requested by any of the parties signing this return, that information will be furnished without obtaining the additional consent of any other party. This Agreement, and the rights and obligations of the Parties hereunder, shall be governed by and construed in accordance with the laws (enter state or other jurisdiction) (without giving effect to its provisions on conflict of laws).

This Agreement is fully and voluntarily entered into by the Parties. Each Party states that he, she, or it has read this Agreement, has obtained advice of counsel if he, she, or it so desired, understands all this Agreement, and executes this Agreement voluntarily and of his, her, or its own free will and accord with full knowledge of the legal significance and consequences of this Agreement.

To confirm that you agree with the services and terms of this engagement, please sign where indicated at the bottom of this letter and return one signed copy to me. If I do not receive the executed copy of this agreement from you, receipt of your tax return data (and/or organizers for Individuals) will acknowledge your acceptance of the terms of this agreement. Should you have any questions regarding these requirements or provisions, please feel free to contact me.

Sincerely



Tammy Phillips,

Accountant

Signed on behalf of Tammy Phillips, Accountant

ACCEPTED AND AGREED TO BY

Taxpayer Signature: _____ Date: _____

Signature of Taxpayer

Spouse Signature: _____ Date: _____

Signature of Spouse

Email to forward inquiries: _____