
1040 ENGAGEMENT LETTER

Client Name _____

Thank you for selecting Rick Wagner Tax & Financial Services to assist you in preparing your personal income tax returns. This letter confirms the terms of our engagement and the nature, timing, and limitations of the services we will provide.

We will prepare your 2016 federal and state personal income tax returns from information you furnish us. We will not audit or otherwise verify the data you submit, although it may be necessary to request clarification and/or documentation of some of the information. Generally, we will rely on your representation that you have maintained the documentation required by law to support the information you provide, including expenses for meals, entertainment, travel, gifts, vehicle use, charitable contributions, etc. If you are not clear regarding what documentation is needed for any given item of income or deduction, we'd be happy to discuss it with you. **Note that you have the final responsibility for the income tax returns and, therefore, you should carefully review them before you sign and file them.**

We may have provided an organizer for your use. While we don't require its use, it may serve as a useful "tickler" to remind you of items to provide to us. Nonetheless, provide us with originals or copies of originals of all government tax documents including W-2s, 1099s, 1098s, and property tax statements.

We will use professional judgment in resolving issues when the tax law is unclear or when there is conflict among the authorities.

The filing deadline for the tax returns is April 15, 2017. In order to meet this filing deadline, we must receive your information in substantially complete form by April 1.

If an extension of time to file is required, we will use the information available to us at the time to prepare the extension. To prepare a valid, accurate extension, we need as much information as is available. We also need your express approval to file the extension on your behalf. **An extension, however, only provides you with an extension to file, not an extension to pay. Taxes paid after April 15 will result in penalties and interest.**

Under both federal and California law, we are required to electronically file your returns. However, you may opt out of electronically filing without explanation. If you would rather not e-file please let us know and we will provide you with the government opt-out forms you must sign and return to us.

If a joint return is prepared, tax returns and copies of all supporting documentation will be made available to either spouse without the consent or notification of the other spouse.

You are responsible for reporting foreign activities. By signing this letter you acknowledge that you will inform us if you have income from foreign sources or if you have signatory authority over any foreign account. If you are unsure whether income or an account is foreign, we will review it. **Note that the penalties for failure to report foreign activities are severe.**

Your tax returns may be selected for review by the taxing authorities. If the government selects your return for examination, we will be available to assist you. At our discretion, there may be additional fees for this service.

We generally retain, for five years, the final work product generated for our clients. After the retention period, the documents are destroyed. We do not keep original documents – they are returned to you after completion of the returns. It is your responsibility to retain your records for possible future use, including possible examination by the taxing authorities.

Our fees for tax preparation services are based on the amount of time required at our standard billing rates plus out-of-pocket expenses. All invoices are due and payable upon presentation. Tax returns will not be filed electronically until fees are paid. In the unusual situation where a preparer releases the completed return prior to full payment, a Monthly Late Charge will be added to the preparation fee if the invoice remains unpaid more than 30 days. Late Charges are computed on a daily basis, at the rate of 1% per month, 12% per year.

If the foregoing fairly sets forth your understanding, please sign the enclosed copy of this letter and return it to our office. Work cannot commence until a signed copy of this document is returned. If this is a joint return, both spouses must sign.

Yours truly,

Rick Wagner Tax & Financial Services

Acknowledged:

Signature: _____

Print name: _____

Signature: _____

Print name: _____