

Date	
Scope of Returns (years)	
Federal Forms to be prepared	
State Forms to be prepared	
Fee(s)	\$
<b>Please PRINT your name(s) and address here:</b>	
Name:	Name:
DOB _____	DOB _____

Clients have no foreign bank or financial accounts, trusts, estates, gifts, corporations, partnerships, or foreign passive income.

<b>ACCEPTED BY:</b>	
CLIENT NAME: (please print)	
CLIENT Signature:	
SPOUSE NAME: (please print)	
SPOUSE Signature:	
DATE:	

Dear Clients:

I am pleased to provide you with the professional services described below. This letter is to confirm my understanding of the terms and objectives of my engagement and the nature and limitations of the services I will provide. I will perform my services in accordance with the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants.

***Scope of Engagement***

I will prepare the federal and state income tax returns for the years **as stated above**:

- Form number(s) **as stated above**. If additional forms or schedules are required, a revised estimate of fees will be submitted and approval obtained before any further work is performed;

- If returns for other entities are required (partnership, corporation, trust or estate), a new engagement letter must be signed. In addition I will submit a new fee estimate for the additional services;
- I will not prepare any tax returns except those identified above without your written authorization to do so;
- I will prepare your tax returns based on information and representations that you provide to me;
- I will not audit or otherwise verify the data you submit to me, although I may ask you to clarify some of the information;

I will prepare the tax returns solely for filing with the Internal Revenue Service (“IRS”). They are not intended for third-party use, either to obtain credit or for any other purpose.

As a result, you agree to indemnify and hold me and my firm harmless with respect to any and all claims arising from the use of the tax returns for any purpose other than filing with the IRS regardless of the nature of the claim, including the negligence of any party.

### ***Foreign Bank Account Reporting***

***You agree to inform me if you have signature authority or control over any foreign bank account or other financial accounts or involvement with any foreign trusts, partnerships, corporations or other entities required to be reported to the IRS or other US government agency. I will report such information only to the extent it is required on IRS Form 1040 and related Schedules, unless otherwise agreed. Inconsistent treatment of such on your tax returns and other required reports may lead to an increased risk of audit and penalties.***

***IF the reporting of such accounts or activities for the tax years covered by the scope of this engagement are already past due, I will not prepare any of the required reporting or disclosure forms for you. You are advised to seek the advice of an attorney as the failure to file or late filing of such forms may result in substantial penalties.***

### ***Client Responsibilities***

I will provide you with an income tax organizers to help you gather and document the information I will need to prepare your income tax returns. **It is your obligation to complete the tax organizers with accurate and complete information, including all worldwide income.**

**You are responsible for determining your state or local tax filing obligations with any state or local tax authority, including, but not limited to income, sales, use, and property taxes. You agree that I have no responsibility to research these obligations or to inform you of them.**

If upon reading the completed tax organizer, it comes to my attention that you may have an obligation to file additional income tax returns, I will notify you of this in writing and ask you to contact me. If you ask me to prepare these returns, I will confirm this in a letter and detail the additional charges for this service.

You should retain all documents that provide evidence and support for reported income, credits, and deductions on your returns as required under tax law. **You are responsible for the adequacy of all such documents.** You may need to provide these documents to a taxing authority to substantiate the accuracy and completeness of the returns.

## ***Late Filing***

The original filing due dates for your federal income tax returns are April 15 of the following year. If these returns are being filed late it is not possible to apply for an extension. Filing late will extend the time available for a government agency to undertake an audit of your return and may extend the statute of limitations. All taxes owed are due by the original filing due date. Therefore you will be subject to late filing and payment penalties and interest on any unpaid balance. I am available to discuss this matter with you at your request at my regular hourly fee should the need arise.

If the returns can not be filed electronically (eg, late filed returns or foreign address), you will have responsibility for signing, dating, mailing the returns and attaching all required supporting documentation.

## ***CPA Firm Responsibilities***

You have final responsibility for the income tax returns. Check them carefully for accuracy and completeness before you sign them.

I will prepare your returns based on your filing status (single, married filing jointly, married filing separately, head of household or qualifying widow[er] with dependent child) as reflected in your income tax returns for the most recently filed tax year. If your marital status has changed, you want to change your filing status, or you have questions about your filing status, please contact me immediately.

Unless I am otherwise advised, you confirm that your personal expenses are segregated from business expenses and expenses such as meals, travel, entertainment, vehicle use, gifts, and related expenses for your business are supported by necessary records required by the IRS. At your request, I am available to answer your questions and advise you on the types of records required.

I will use my judgment to resolve questions in your favor where a tax law is unclear if there is reasonable justification for doing so. Whenever I am aware that a possibly applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (e.g., IRS and courts), I will explain the possible positions that may be taken on your return. I will follow the position you request, provided it is consistent with our understanding of the current tax code, regulations, and their interpretations. If the IRS later contests the position taken, there may be an assessment of additional tax, interest, and penalties. I assume no liability for and you hereby release us from any such additional tax, interest, and penalties or other fees and assessments.

I may deem it necessary to provide you with accounting and bookkeeping assistance solely for the purpose of preparing the income tax returns. I will request your approval before rendering these services. My engagement does not include any procedures designed to discover fraud, theft or other irregularities, should any exist.

My engagement does not include tax-planning services, which are available as a separate engagement. During the course of preparing the tax returns identified above, I may bring to your attention certain available tax saving strategies (such as available credits, deductions, or deferrals) for you to consider as possible means of reducing your income taxes in subsequent tax years. However, I have no responsibility to do so, and will take no action with respect to any such recommendations, as the responsibility for implementation remains with you, the taxpayer.

This engagement does not include responding to inquiries by any governmental agency or tax authority. 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 providing assistance to you under the terms of a separate engagement letter for that specific purpose. You agree that you will not and are not entitled to rely on any advice unless it is provided in writing.

If you provide our firm with copies of brokerage (or investment advisory) statements, I will use the information from these statements solely in connection with the preparation of your income tax returns. I will rely on the accuracy of the information provided in the statements and will not undertake any action to verify this information. I will not monitor investment activity, provide investment advice, or supervise the

actions of the entity or individuals performing investment activities on your behalf. I recommend that you receive and review all brokerage (or investment advisory) statements promptly and carefully, and direct any questions regarding activities on your account to your broker (or investment advisor).

### ***Timing of the Engagement***

I expect to begin the preparation of your returns upon receipt of the completed tax organizers **for the years noted above** and all tax documents requested either in the organizer or by me. My services will be concluded upon delivery to you of your tax returns **as stated above** for your review and filing with the appropriate taxing authorities.

### ***Penalties and Interest Charges***

Federal, state and local taxing authorities impose various penalties and interest charges for non-compliance with tax law, including for example, failure to file or late filing of tax returns and underpayment of taxes. You, as the taxpayer, remain responsible for the payment of all taxes, penalties, and interest charges imposed by taxing authorities.

I rely on the accuracy and completeness of the information you provide to me in connection with the preparation of your tax returns. Failure to disclose or inadequate disclosure of income or tax positions can result in the imposition of penalties and interests.

The IRS imposes a 20% penalty for substantial understatement of tax. The understatement is considered substantial if it exceeds the larger of 10 percent of the correct tax liability or \$5,000 for individuals. To avoid the substantial understatement penalty, you must have substantial authority to support the tax treatment of the item challenged by the IRS or adequate disclosure of the item. Adequate disclosure requires proper disclosure of the position on the tax return and there must at least be a reasonable basis for the position. A completed IRS Form 8275 or 8275R, which discloses all relevant facts, must be attached to your tax return to meet the adequate disclosure requirement. A disclosed tax position that meets the reasonable basis standard must have some authority supporting the position and more than just arguable.

You agree to advise us if you wish to disclose a tax treatment(s) on your return. You may request our assistance to identify or perform further research to ascertain if there is "substantial authority" for the proposed position to be taken on the tax items in your returns. If you so request, I would be pleased to discuss providing this additional service to you under the terms of this engagement letter.

Unless an undisclosed tax position meets the substantial authority or "more likely than not" standards, as applicable, I will be unable to prepare the return and will withdraw from the engagement.

If a tax position to be taken on your tax return is based on the advice of another tax advisor, you agree to obtain a written statement from the advisor confirming that the position should meet the substantial authority or more likely than not standards, as applicable.

### ***Fee and Billings***

Our professional fee for the services outlined above **will be as stated above**.

This fee is based upon the complexity of the work as presented to me in our previous communication. Additionally, this fee is dependent on the availability, quality, and completeness of your records. You agree that you will deliver all records requested by our staff to complete this engagement on a timely basis. In the event your records are not submitted in a timely manner, or they are incomplete or unusable, I reserve the right to charge additional fees and expenses for services required to correct the problem. If this occurs, I will contact you to discuss the matter and the anticipated delay in completing my engagement prior to rendering further services.

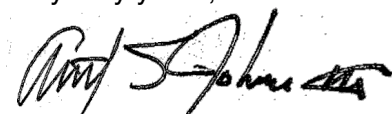
I will bill you for my professional fees as of the date I deliver our work product to you. Payment is due upon submission of my invoice and before the work product is delivered.

### Termination and Other Terms

I reserve the right to withdraw from this engagement without completing the returns if you fail to comply with the terms of this engagement letter or as I determine professional standards require. If any portion of this agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of the terms set forth in this engagement letter.

I appreciate the opportunity to be of service to you. Please date and sign the enclosed copy of this engagement letter and return it to us in the envelope provided to acknowledge your agreement with its terms. It is our policy to initiate services only after I receive the signed copy of this engagement letter from you.

Very truly yours,



Albert S Johnson III, CPA

My Contact Information:

MAILING ADDRESS:	255 N. El Cielo #140-175 Palm Springs, CA 92262 USA	
PHONE	+1.760.469.4750	
FAX	US & Canada:	+1.866.214.5865
	international:	+1.760.418.4358
EMAIL	aj@AlbertSJohnsonCPA.com	
WEBSITE	www.AlbertSJohnsonCPA.com	