

[Date]

[Client #1 Name]

[Client #2 Name]

[Clients' Address]

Dear [Client Name]:

Thank you for the opportunity to work with you. This letter is to confirm and specify the terms of my engagement with you and to clarify the nature and extent of the services I will provide. In order to ensure an understanding of our mutual responsibilities, I ask all clients for whom returns are prepared to confirm the following arrangements.

- A. Crystal Guss Consalvi (“I”, “my”,) will prepare your [Year] [joint, single] [individual, business, trust, estate, not-for-profit] federal income tax return, and income tax returns for the states of \_\_\_\_\_ (collectively, the “returns”) from information, which you will furnish to me. This engagement pertains only to the [Year] tax year, and my responsibilities do not include preparation of any other tax returns that may be due to any taxing authority. My engagement will be complete upon the delivery of the completed returns to you.
- B. Your returns may be selected for review by one or more than one taxing authority. 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 your written request to represent you during the examination. This will be considered a separate engagement.
- C. It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You represent that the information you are supplying to me is accurate and complete to the best of your knowledge and that your expenses for meals, entertainment, travel, business gifts, charitable contributions, dues and memberships, and vehicle use are supported by records as required by law. I will furnish you with questionnaires and/or worksheets as needed to guide you in gathering the necessary information. Your use of such forms will assist me in keeping my fee to a minimum. You should retain all the documents, canceled checks and other data that form the basis of income and deductions. You should also retain documents that support items carried over into open years, such as cost basis information for nondeductible IRA's, net operating losses, etc. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. To the extent I render any accounting and/or bookkeeping assistance, it will be limited to those tasks I deem necessary for preparation of the returns and will be billed at my hourly rate as stated on my fee schedule.
- D. The timeliness of your cooperation is essential to my ability to complete this engagement. Specifically, I must receive sufficient information from which to prepare your returns within a reasonable period of time prior to the applicable filing

deadline. Accordingly, if I do not receive information from you, as noted above, by \_\_\_\_\_, it may be necessary for me to pursue an extension of the due date of your returns, and I reserve the right to suspend my services or withdraw from this engagement.

- E. I will not audit or otherwise verify the data you submit. Accordingly, my engagement cannot be relied upon to disclose errors, fraud, or other illegal acts that may exist. However, it may be necessary to ask you for clarification of some of the information you provide, and I will inform you of any material errors, fraud, or other illegal acts that come to my attention.
- F. You are responsible for maintaining an adequate and efficient accounting system, for safeguarding assets, for authorizing transactions, and for retaining supporting documentation for those transactions, all of which will, among other things, help assure the preparation of proper returns. You have the final responsibility for the income tax returns and, therefore, you should review them carefully before you sign them.
- G. The law provides various penalties and interest that may be imposed when taxpayers underestimate their tax liability. You acknowledge that any such understated tax, and any imposed interest and penalties, are your responsibility, and that I have no responsibility in that regard. If you would like information on the amount or circumstances of these penalties, please contact me.
- H. I may encounter instances where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. In those instances, I will outline for you each of the reasonable alternative courses of action, including the risks and consequences of each such alternative. In the end, I will adopt, on your behalf, the alternative that you select after having considered the information provided by me.
- I. My fees for this engagement are not contingent on the results of my services. Rather, my fees for this engagement, including preparation of your returns and any representation of your interests during an examination by a taxing authority and/or any subsequent appeal, will be based on my standard fee schedule or hourly rates, as set forth on the attached rate sheet. In addition, you agree to reimburse me for any of my out-of-pocket costs incurred in connection with the performance of my services. However, in the event that I encounter unusual circumstances that would require me to expand the scope of the engagement I will notify you and obtain your prior approval before continuing with the engagement.
- J. If I elect to terminate my services for nonpayment, or for any other reason provided for in this letter, my engagement will be deemed to have been completed upon written notification of termination, even if I have not completed your return. You will be obligated to compensate me for all time expended, and to reimburse me for all of my out-of-pocket costs, through the date of termination.

- K. **For joint returns:** Because the income tax returns I am to prepare in connection with this engagement are joint returns, and because you will each sign those returns, you are each my client. You each acknowledge that there is no expectation of privacy from the other concerning my services in connection with this engagement, and I am at liberty to share with either of you, without the prior consent of the other, any and all documents and other information concerning preparation of your returns. I will require, however, that any request for documents or other information be communicated to me in written form. You also acknowledge that unless I am notified otherwise in advance and in writing, I may construe an instruction from either of you to be an instruction on your joint behalf. Absent a contrary written instruction in the future, from either or both of you, I will communicate with either or both of you at the following mailing address: \_\_\_\_\_.
- L. It is my policy to retain engagement documentation for a period of seven years, after which time I will commence the process of destroying the contents of my engagement files. To the extent I accumulate any of your original records during the engagement, those documents will be returned to you promptly upon completion of the engagement, and you will provide me with a receipt for the return of such records. The balance of my engagement file, other than a copy of your income tax return, which I will provide to you at the conclusion of the engagement, is my property, and I will provide copies of such documents at my discretion and if compensated for any time and costs associated with the effort.
- M. In the event I am required to respond to a subpoena, court order or other legal process for the production of documents and/or testimony relative to information I obtained and/or prepared during the course of this engagement, you agree to compensate me at my hourly rates, as set forth on my rate schedule, for the time I expend in connection with such response, and to reimburse me for all of my out-of-pocket costs, including travel expenses, incurred in that regard.
- N. In the event that I become obligated to pay any judgment or similar award, agree to pay any amount in settlement, and/or incur any costs as a result of any inaccurate or incomplete information that you provide to me during the course of this engagement, you agree to indemnify me, defend me, and hold me harmless as against such obligations, agreements, and/or costs.
- O. You agree that any dispute that may arise regarding the meaning, performance or enforcement of this engagement will, prior to resorting to litigation, be submitted to mediation, and that they will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. The results of any such mediation shall be binding only upon agreement of each party to be bound. The participating parties shall share the costs of any mediation proceeding equally. Any litigation arising out of this engagement, except actions by me to enforce payment of my professional invoices, must be filed within one year from the completion of the engagement, notwithstanding any statutory provision to the

contrary. In the event of litigation brought against me, any judgment you obtain shall be limited in amount, and shall not exceed the amount of the fee charged by me, and paid by you, for the services set forth in this engagement letter

- P. The engagement does not include any services not specifically stated in this letter. However, I would be pleased to consult with you regarding other income tax matters, such as proposed or completed transactions, income tax projections, and for research in connection with such matters. I will render additional invoices for such services at my standard billing rates.
- Q. This engagement letter is contractual in nature, and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.
- R. The IRS Restructuring and Reform Act of 1998 granted a “qualified” privilege status to communications between taxpayers and their non-attorney representative. The law does not make the communications privilege equal to that of attorneys. However, not even attorneys are granted privilege if they prepare tax returns. Certain communications involving tax advice between us may be privileged and not subject to disclosure to the IRS. By disclosing the content of those communications to anyone, such as a lending institution, a friend, or a business associate, or by turning over information about those communications to the government, you may be waiving this privilege. Prior to disclosing any information about my tax advice to anyone, please contact your attorney, or me in order to protect your right to privileged communications between yourself and me.

If, after full consideration and consultation with counsel if so desired, the foregoing fairly sets forth your understanding, please sign the enclosed copy of this letter in the space indicated and return the original it to my office along with a completed copy of the enclosed tax checklist and the supporting documentation requested therein. You should keep a copy of this fully executed letter for your records. If, however, you do not agree to sign this letter, then I will not proceed to provide you with any professional services, and will not prepare your income tax returns.

Thank you for your attention to this matter, and please contact me with any questions that you may have. I look forward to working with you.

Very truly yours,

Crystal Guss Consalvi  
Accountant

**ACCEPTED AND AGREED:**

\_\_\_\_\_  
[Name of Signatory #1]

\_\_\_\_\_  
Date

\_\_\_\_\_  
[Name of Signatory #2]

\_\_\_\_\_  
Date