

## Engagement Letter for Individual Tax Preparation Services

Knight Accounting & Technology, LLC

Michele Knight, CPA

PO Box 1271, Frisco, CO 80443

Phone#: 303-598-4413 Fax#: 303-374-5665

[www.cpamichele.com](http://www.cpamichele.com)



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Dear Valued Client:

This letter confirms the terms of our tax engagement and clarifies the nature and extent of the professional services that we will provide.

**Preparation:** We will prepare your individual tax returns for the period(s) you provide us with specific information. We will not audit or otherwise verify the data you submit, although we may ask you to clarify some of it for us. We require that you complete an Individual Tax Organizer each year, including requesting copies of your Letters 6475 (Stimulus / Economic Impact Payment) and 6419 (Child Tax Credit) from the IRS. If you did not provide these letters, or the equivalent information from [www.irs.gov/account](http://www.irs.gov/account) then we will prepare your tax return as if you received the full amount you were eligible for. We will render such bookkeeping assistance as we find necessary for the preparation of the income tax returns at an additional charge when necessary to properly prepare the return. Our work does not include any procedures designed to discover defalcations or other irregularities, such as fraud or embezzlement, should any exist.

The client agrees to furnish all information that is necessary for the preparation of the above tax returns and is responsible for the proper recording of transactions in the books of accounts, for the safeguarding of assets, and for the substantial accuracy of the financial records. Guidance for applicable rules regarding taxation (Pub 17), recordkeeping (Pub 552), accounting methods (Pub 538), charitable deductions (Pub 526) and more can be found at [www.irs.gov](http://www.irs.gov). The client is also responsible for maintaining sufficient documentation to substantiate all items of income and deduction claimed, including travel and entertainment expenses. It is recommended that the client provide photocopies of all tax documents to prevent any loss of data. Knight Accounting & Technology, LLC will not be responsible for lost originals. Knight Accounting & Technology, LLC conducts business via the U.S. Postal Service unless the client requests otherwise, and will not be responsible for any lost or stolen documents.

As a general rule, we require that all information be provided to us no less than 30 days prior to the date when you expect us to deliver your tax return(s). Be aware that if you submit your data after the date requested, we may not be able to keep our commitment in terms of delivery. Although we will endeavor to extend the due date of your tax return(s) if they are not done by the tax filing deadline, ultimately you may be subject to late filing penalties because of the delay.

**Fees & Payment:** Our fees for this work will be based upon the complexity of your tax return(s), as well as out-of-pocket costs and processing and handling fees, all of which are stated on the Knight Accounting & Technology, LLC Price List, which is available at [www.cpamichele.com](http://www.cpamichele.com). Tax preparation charges are based on standard time to prepare each form. If any forms require additional preparation time above the norm, you will be billed at our standard hourly rate of \$120/hour. If you request an estimate, we will give you a non-binding estimate based upon your representations about the complexity of your tax return(s). Because unforeseen or changed circumstances might affect this original fee estimate, your actual fees may exceed the original fee estimate without notification to you in advance.

Knight Accounting & Technology reserves the right to ask for a retainer, based on the estimated price of the tax return. If a retainer is not requested, invoices for services are due when rendered and interim billings may be submitted as work progresses. Once the return is complete, you will either be billed for the additional cost or receive a refund if the cost is less than the retainer. We respectfully request payment within 30 days of the invoice date. In the event that any balance is past due, we reserve the right to cease working on your return(s) or providing any other services until the balance has been paid in full. If you have a balance on your account after 30 days, there will be a late fee of 1.5% added to the second billing and on each monthly statement thereafter. At any time after the second billing, your account may be sent to collections. You will be responsible for any court costs, attorneys' fees and any costs associated with collections.

**Liability:** You agree that Knight Accounting & Technology, LLC's liability hereunder for damages, unless caused by our gross negligence or willful misconduct, shall not exceed the total amount paid for the services described herein. This shall be your exclusive remedy. If you should receive a notice from a taxing authority, you must send a copy within 5 days of the date on the first notice (phone calls are not acceptable). In the event of an examination or other government contact, we are available to represent you upon request, based on our standard hourly service fee at that time. Knight Accounting & Technology, LLC is also available year-round to answer questions and provide tax planning. Such additional services will be billed to you as our efforts are incurred, including time, direct expenses for computer services, fax transmissions, report production and out of pocket costs, including travel expenses.

**Document Retention:** It is our policy to retain work papers related to this engagement for seven years. Upon the expiration of the seven-year period, you agree that we shall be free to destroy our work papers. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies. You should retain the tax records related to the current year's tax returns, including any receipts, statements or other supporting documentation, for at least seven years after it was filed, since any additional assessments are usually made during this period. We highly recommend that you download and save all statements electronically at least once a year, as banks cannot always regenerate these for you if needed. Once your return(s) are completed, you will be given a copy for your records. There is a minimum charge of \$25.00 for the time and efforts involved in providing you with additional copies of your tax returns, so please retain the copies you receive from us.

**Privacy Notice:** As your service provider, we collect information provided by you from your tax organizer, worksheets, documents, computer data files and discussions, information provided to us at your request by brokerage houses and banks, and information that we develop as part of the engagement. We are committed to the safekeeping of your confidential information and we maintain physical and electronic safeguards to protect your information. We are required to keep all information about our engagement confidential. We will not disclose any information about you unless we have your approval as required by law (Rev. Proc. 2008-35), even if you are no longer a client. If you would like your records released to a third party, such as a mortgage lender, in accordance with Rev. Proc. 2008-35 you must sign a disclosure statement, which we have provided a copy of on [www.cpamichle.com](http://www.cpamichle.com). Please fax us your signed authorization to release the information to (303)374-5665. There is a minimum charge of \$25.00 for the time and efforts involved in providing your information to a third party.

If the foregoing correctly sets forth your understanding of our tax engagement, please sign this letter in the space below, and return it to our office. We want to express our appreciation for this opportunity to work with you, and hope that you'll bring any questions or concerns to our attention.

Sincerely,

Michele Knight, CPA, member, Knight Accounting & Technology, LLC, PO Box 1271, Frisco, CO 80443

Accepted By: \_\_\_\_\_

Date: \_\_\_\_\_