

COMPLIANCE ACKNOWLEDGEMENT SET

DEAR CLIENT,

This firm has always maintained the highest standard of ethical behavior and responsibility to our clients. The firm has also always been diligent in guarding its clients' privacy and protecting personal information. However, the government has precise regulations to ensure that all tax preparation firms have taken the appropriate steps to protect client information and properly inform their clients of issues related to tax preparation.

This firm welcomes these regulations. They help protect client information from identity theft and require informed consent to use or disclose tax information. However, the regulations also impose numerous documentation requirements; they require a client's affirmative acknowledgement and the maintenance of those documents by the firm for a period of time.

To fulfill the acknowledgement requirements of these various government regulations, this set of compliance documents has been prepared. The documents include the following:

- 1. Engagement Agreement** – Our engagement agreement details the services this firm provides, outlines the responsibilities of both this firm and client during the tax preparation process, and states how conflicts of interest that may arise between spouses and former spouses are handled.
- 2. Consent to Use Your Tax Return Information** – By signing this document, you are providing this firm with your consent to use your tax return information for the purposes indicated.
- 3. Privacy Policy** – Federal law requires this firm to annually provide its clients with the firm's Privacy Policy.

WHAT YOU NEED TO DO

Please Read and Sign Before Your Tax Appointment.*

Please read and sign (if married and filing jointly, both spouses sign) the enclosed documents and provide them along with the other materials needed to complete your return. It is important that you do this ahead of your appointment so that your valuable tax appointment time can be devoted to more productive matters.

If two copies of this document were provided, keep one for your records. If not, copies of the signed documents will be provided during the course of your return preparation.

If you have questions, please call for assistance.

***Correspondence Preparation:** If you won't be coming in for an office appointment, please include these documents with the other materials that you will be mailing in.

ENGAGEMENT LETTER

This firm appreciates the opportunity to prepare your individual income tax return for 2018 and your 2019 estimated taxes. This letter sets forth the services the firm provides as part of the tax preparation process, states potential conflicts of interest, and outlines your responsibilities as a client.

The return(s) will be prepared based on **information and documentation you provide** without independent verification by the firm. The firm will provide you with a tax organizer to assist you in gathering and organizing the required tax return data in order to keep the tax preparation fees to a minimum. You will make available information about all of your income and deductions so that substantially correct amounts of income and tax can be properly reported. It is your responsibility to maintain, in your records, the documentation necessary to support the data used in preparing your tax returns. This firm is not responsible for the disallowance of doubtful deductions or inadequately supported documentation, nor for resulting taxes, penalties and interest.

You are expected to **promptly provide requested follow-up materials and any missing information**. If the firm has not received all of your tax return information in early April, we may not be able to complete the return before the filing due date. If your returns are not filed by midnight of April 15, 2019, you may be subject to late filing and/or late payment penalties. The firm is responsible for preparing only the returns listed above. The preparation fee does not include responding to inquiries or examination by taxing authorities. However, The firm is available to represent you and the fees for such services are at the firm's standard rates and would be covered under a separate engagement letter.

It is understood that anything you tell the firm during the interview for the preparation of your tax return is **confidential, but not protected from the IRS or state tax authority**. In addition, The firm cannot disregard the implications of any information you provide in the process of preparing your return. Any of the work papers used to prepare your returns, as well as the communications between you and this firm can be summoned by the IRS in a legal action against you. If this is of concern to you, you should discuss this with legal counsel prior to engaging the firm for the preparation of your returns.

This firm will use its best judgment to **resolve questions in your favor where a tax law is unclear**, if there is a reasonable justification for doing so. Whenever we are aware that a possibly applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (e.g., tax agencies and courts), we will explain the possible positions that may be taken on your return. We will follow whatever position you request, so long as it is consistent with the codes and regulations and interpretations that have been promulgated. If the IRS or a state tax agency should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. We assume no liability for any such additional penalties or assessments. If you were married on 12/31/2018, you have a choice of filing a joint or separate tax return for 2018; if there are dependents, and you don't file a joint return, one of you may qualify for Head of Household, while the other must file as Married Filing Separately. (1)

- o If you file joint returns, you are accepting joint and/or separate responsibility for any tax assessed on the returns. Be especially concerned if there is an unpaid liability on the final returns as submitted; you can be held separately liable for the full amount of the underpayment. If you have any questions about your potential liability, please ask.
- o If jointly filed returns (from any year) are later challenged by the IRS or state tax agency and any additional tax is assessed, each filer can be held liable for the full additional tax. If you are separated or contemplating divorce, you may wish to make sure any dissolution agreement reflects that any additional tax for the 2018 year will be paid by the individual who generated the additional income.

ENGAGEMENT LETTER (CONT)

However, this will not prevent the IRS or state agency, if applicable, from assessing the tax or attempting to collect it from both parties.

- o If joint returns are prepared for you that are later challenged by the IRS or state tax agency, the firm will not be allowed to represent either of you separately, and will only be able to represent both of you if the representation can be provided objectively and with written consent from both of you.
- o If you are contemplating dissolution of marriage or were previously married to another client of this firm, you must understand that preparing the returns of both can involve inherent conflicts of interest for the person being asked to prepare the returns. Therefore, before the firm can prepare your return, you acknowledge that the firm cannot place information on your return in conflict with information used in preparing your spouse's or former spouse's return. Additionally, if the firm represents both parties, conversations or other communications by either party with the firm are not considered confidential and are available to the other party. In fact, the firm may be required to disclose any oral or written communications between the firm and one party to the other party.

Fees for services will be at the firm's standard rates plus out-of-pocket expenses. In some circumstances, a retainer may be required. Payment for service is due when rendered and, in some circumstances, interim billings may be submitted as work progresses and expenses are incurred.

You will be provided with **copies of the completed returns**. It will be your responsibility to review the documents carefully before signing and filing the returns or signing the authorization for the firm to electronically file the returns to verify that the information is correct and accurate.

Agreed:

Spouse:

Filer (Print Full Name): _____

Filer (Print Full Name): _____

Filer Signature: _____

Filer Signature: _____

Date: _____

Date: _____

(1) Treas. Dept. Circular 230 §10.29, Conflicting interests: A practitioner may not represent potential conflicting interests in his or her practice before the IRS unless the practitioner reasonably believes that the representation of any party before the Service will not be adversely affected; and all parties represented by the practitioner who have an interest in the matter before the Service expressly consent in writing to the representation after the practitioner has fully disclosed the potential conflict. Moreover, copies of the written consents must be retained by the practitioner for at least 36 months from the date of the conclusion of the representation of the affected clients, and the written consents must be provided to any officer or employee of the IRS on request. Finally, a practitioner may not represent a party in his or her practice before the IRS if the representation of the party may be materially limited by the practitioner's own interests, unless the practitioner reasonably believes the representation will not be adversely affected and the client consents after the practitioner has fully disclosed the potential conflict, including disclosure of the implications of the potential conflict and the risks involved.

AUTHORIZATION TO USE TAX RETURN INFORMATION TO PROVIDE OTHER REQUESTED TAX-RELATED SERVICES

Federal law requires this consent form be provided to you. Unless authorized by law, we cannot use or disclose your tax return information to third parties for purposes other than the preparation and filing of your tax return without your consent. If you consent to the disclosure of your tax return information, Federal law may not protect your tax return information from further use or distribution.

You are not required to complete this form to engage our tax return preparation services. If we obtain your signature on this form by conditioning our tax return preparation services on your consent, your consent will not be valid. If you agree to the disclosure of your tax return information, your consent is valid for the amount of time that you specify. If you do not specify the duration of your consent, your consent is valid for one year from the date of signature.

Consent – I authorize the use of my tax information to communicate with me via newsletter, e-mail, website, phone or other means of communication with information or data that may be of use to me and, at my request, for the purpose of making recommendations to me, including, but not limited to the following:

- o Tax advice related to life events such as marriage, divorce, college expenses, stock option exercises, retirement and estate planning;
- o Advice and planning related to tax treatment of investments, including acquisition and sale or exchange of real estate or other assets;
- o Year-end tax planning including the preparation of revised estimated tax payments, minimum required distributions; and
- o Responding to other tax and financial questions that I may have.

Having full knowledge of my rights in these matters, I affirmatively state that such services are an integral part of the total tax services for which I have contracted with this firm. I hereby authorize this firm to use tax return information, which I furnish, to provide me with tax-related tax services and responses to questions I later raise related to my personal income or business tax matters.

I understand that beyond the specific purpose of providing services I request, no tax return information will be disclosed to any other person or for any purpose not specifically allowed by law or by subsequent approval by me.

Duration of your consent (defaults to one year if left blank): _____

Your Name: _____ Spouse's Name: _____

Signature: _____ Signature: _____

Date: _____ Date: _____

*If you believe your tax return information has been disclosed or used improperly in a manner unauthorized by law or without your permission, you may contact the Treasury Inspector General for Tax Administration (TIGTA) by telephone at 1-800-366-4484, or by e-mail at complaints@tigta.treas.gov.

PRIVACY POLICY

Confidentiality

You may have some concern about the confidentiality of the information you provide to this office. It is our policy to keep your personal and business matters confidential to the extent permitted by law.

Privacy Policies

The Federal Trade Commission has issued regulations that require tax preparation firms to provide an annual statement of firm privacy policies.

This Firm's Policy

All information you provide to this firm is handled with the utmost confidentiality. Your personal information will only be shared with members of our firm who need to know this information in order to complete the work you have hired our firm to do. Other than the IRS permitted disclosure to a tax return processor for the purpose of preparing and e-filing your tax return, this firm will not disclose your personal information to anyone outside our firm without your express written permission to do so, or unless the firm is legally required or permitted to do so. For example, if a mortgage lender contacts this office for a copy of your return or information about it, you will be required to provide written consent to disclose your tax return information prior to this firm responding to that request.

Client Privileged Communications

You should also be aware that anything you tell this firm during the interview for the preparation of your tax return is confidential, but not protected from the IRS. Privileged communications (those that are protected from IRS authority to compel the firm's testimony) are limited to non-criminal tax advice on matters before the IRS or non-criminal tax proceedings in federal courts. Although this firm considers any information you provide us as confidential, return preparation engagements are not covered by advisor-client privilege.

If you feel the nature of any subject matter to be discussed requires protected communications, please raise that issue so that we can discuss your possible need to consult with an attorney for legal advice.

Referrals are Welcome

Referrals are the cornerstone of any service business. This firm, like other professional service firms, relies on satisfied clients as the primary source of new business. Your referrals are both welcome and most sincerely appreciated! Since your referrals are generally individuals you are well acquainted with, you can be assured that your personal, financial and tax data will not be shared with them.

An Expression of Confidence

When you refer clients here, you are expressing your faith and confidence in the services this office has and will continue to provide to you. You may have business associates who need professional tax assistance or family and friends who struggle to do their own taxes every year. No matter whom you refer, be assured that their individual tax needs will be looked after in the same professional manner yours have been. Thank you for allowing this firm to be of service.