



## Engagement Agreement Individual Income Tax Returns

Questions on this engagement agreement? Please call (619) 220-0375 and we'll be happy to help. Thanks!

Printed Name, Taxpayer 1: \_\_\_\_\_

Printed Name, Taxpayer 2: \_\_\_\_\_

Dear Client(s):

Thank you for choosing Fortunate Fields, Inc to prepare 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 or authorize our electronic filing of them.***

At your request, we will provide a checklist or 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 returns is April 18, 2017. In order to meet this filing deadline, we must receive your information in substantially complete form by March 31, 2017.

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 18 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. Sometimes, tax rules and regulations make it necessary to file on paper and we will advise you of those situations. ***When paper filing is optional, we do increase our fee to reflect the additional use of time and resources.***

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 financial 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 financial 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 you receive a notice or learn that your returns have been selected for examination, please contact us immediately and send a copy of the notice(s) you receive. We will review and assess the matter and will provide you with an explanation of how to proceed. We will fix, at our cost, any errors we made and inform you of costs to address the matter if we are not in error. If our error causes a penalty or interest to be assessed, we will cover the cost of the penalty and may offer to cover some or all of the interest, on a case by case basis.

We generally retain, for seven 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.

We are required to provide a copy of our work product to each client. Generally, this copy is provided in an electronic format. While there is no additional fee to receive a paper copy of your tax return(s), we will print your returns only upon request.

Our fees for tax preparation services are based on a per-form charge 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 or released for paper filing until fees are paid.***

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.

Thank you for trusting Fortunate Fields, Inc with your important tax work. We are deeply grateful to be of service.

***Dave Yoshida, EA***

Chief Number Cruncher

Acknowledged: \_\_\_\_\_  
Signature, Taxpayer 1

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature, Taxpayer 2 (if applicable)

\_\_\_\_\_  
Date