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IMPORTANT! READ COMPLETELY, SIGN AND RETURN

ENGAGEMENT LETTER FOR INDIVIDUAL INCOME TAX PREPARATION

January 1, 2016

Dear Valued Client:

This letter is to confirm our understanding of the terms of our engagement and the nature and extent of the income tax services we will provide and represents the entire agreement regarding the services described herein and supersedes all prior negotiations, proposals, representations or agreements, written or oral, regarding these services. Please read this letter carefully because it is important to both our firm and you that you understand what you can and cannot expect from our work. In other words, we want you to know the limitations of the services you have asked us to perform. If you are confused at all by this letter or believe we have misunderstood what you need, please call us before you sign it. The term of this Engagement Letter shall be three calendar years unless otherwise terminated by either party.

We will prepare your Individual Federal, State and local Tax Returns for the year ending December 31, 2015. If you have taxable activity in a state other than Oregon, you are responsible for providing our firm with all information necessary to prepare any additional applicable state(s) or local income tax returns as well as informing us of the applicable states. Any other required services, forms or other actions on our part require a separate engagement letter. **We do not automatically file tax extensions for clients.** You must notify us in writing if you wish for us to file an extension. Failure to pay any tax due with the extension or failure to pay quarterly estimated tax payments may make you subject to various penalties and interest. We will not audit or verify the data you submit to us; however, we may ask you to clarify some of the data. We are not responsible for disallowed deductions, or the inclusion of additional unreported income or any resulting taxes, penalties or interest. We will be available to assist and guide you in gathering the necessary information by furnishing you with questionnaires and/or worksheets and by answering your questions.

It is your responsibility to provide all the information necessary to complete your tax returns. You shall provide us true, correct and complete information regarding the amounts you claimed as tax deductions, and you shall maintain written documentation supporting all amounts, including logbooks and receipts. We will rely, without further verification, upon information you provide to us from third parties including, but not limited to, K1's, 1099's, 1098's, and receipts and similar items. We must receive your information by April 1 in order to complete your return in a timely manner and information received after that date may cause your return to be extended and completed after the April 15 due date. You understand that taxing authorities may examine the returns, that documentation should be retained to support the information provided to us, especially business travel and entertainment deductions, business use percentage of autos and other assets, barter activities, and the required documents to support charitable contributions, and that penalties may be imposed on returns that are late, underpaid or incorrect. Since you have the final responsibility for the information on the income tax returns, we highly recommend that you review the tax returns carefully before signing and filing them.

If you have a financial interest in any foreign accounts or investments, you are responsible for providing our firm with all the information necessary to prepare Form TD-F-90-22.1 required by the U.S. Department of the Treasury on or before June 30th of each tax year. If you do not provide our firm with information regarding any interest you may have in a foreign account, we will not be able to prepare any of the required disclosure statements, and penalties may be due for which we have no responsibility. In the absence of such information being provided we will presume you do not have any foreign assets or financial interests and will not file any applicable disclosure forms without separate written authorization.

It is our policy to keep records related to this engagement for three years, after which they are destroyed. We do not keep any original client records, they will be returned to you at the completion of the services rendered under this engagement. It is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agency.

If we are asked to disclose any privileged communication, unless we are required to disclose the communication by law, we will not provide such disclosure without your written authority. New privacy laws were established by the IRS effective January 1, 2009 and we are now prohibited from providing confidential information or copies to anyone other than you without your specific, written authorization. You agree to pay any and all reasonable expenses that we incur, including legal fees, that are a result of attempts to protect any communication as privileged.

Fees for our services will be at our standard rate schedule, a copy of which is available upon request. Additionally, we may be entitled to reimbursement for out-of-pocket expenses, which may include long distance phone calls, copy costs, and computer processing fees.

Our invoice is due and payable upon completion of these returns; additional services will not be performed until the bill for these services is paid in full. A 2% per month late fee will be charged after 30 days. In the event it becomes necessary to utilize the services of legal counsel to collect our fees, we shall be entitled to all reasonable attorney fees, costs and expenses incurred in the collection of those fees, regardless of whether or not litigation is required.

Our fee does not include responding to inquiries, examination by taxing authorities or participation in any hearings. However, we are available to represent you and our fees for such services are at our standard rates and would be covered under a separate Engagement Letter. You agree to immediately notify us upon the receipt of any correspondence from any government agency covered by this letter. Please do not respond to or click on any links from emails purportedly from the IRS – the IRS never initiates correspondence via email and any such emails are attempts to steal your identity. From time to time various third parties may request that we sign, for you, some verification of income, employment or tax filing status. Because we were engaged only to prepare your income tax return, without examination, review, audit or verification our insurance carriers as well as the state board of accountancy prohibit us from signing any such document and we suggest that you have them send IRS Form 4506 to the IRS to obtain such verification.

If a question arises interpreting tax law and a conflict exists between the taxing authorities' interpretation of the law and other supportable positions, we will use our professional judgment in resolving these issues. Whenever possible we will resolve said questions in your favor. Performing the level of tax and accounting work that we regularly engage in as professional accountants requires an adequate understanding of tax law and other areas of law, such as business law. We use our knowledge in these areas only for the purposes of performing services such as business consulting, tax planning and preparation, and tax problem resolution. We do not practice law nor provide the specific services reserved only for professional attorneys.

When a self-employed taxpayer reduces taxable income there is also a reduction in earned income reported to the Social Security Administration, which could reduce current and future benefits for the taxpayer and his or her dependents. You acknowledge and agree to the current tax reduction and the potential negative effects on future social security benefits for you, your spouse and any dependents.

Professional standards now require us to electronically file federal, state and local individual income tax returns (“e-filing”), if available. Please note, unless you notify us of your desire to “opt out” of e-filing your return, we will prepare your return to be e-filed. If you choose to “opt out” of e-filing your returns with our office, you will be solely responsible for filing the returns with the appropriate taxing authorities by the filing due date.

Although e-filing requires both you and our firm to complete additional steps, the same filing deadlines will apply. You must, therefore, ensure that you complete the additional requirements well before the due dates in order for our firm to be able to timely transmit your return. We will provide you with a paper copy of the income tax returns for your review prior to electronic transmission.

After you have reviewed the returns, you must provide us with a signed authorization indicating that you have reviewed the return and that, to the best of your knowledge, you feel it is correct. **We cannot transmit the returns to the taxing authorities until we have the signed authorization.** Therefore, if you have not provided our firm with your signed authorization by April 10th, we will place your return on extension, even though it might already be completed.

In that event, you will be responsible for ensuring that any payment due with the extension is timely sent to the appropriate taxing authorities. You will also be responsible for any additional costs our firm incurs arising from the extension preparation.

Although our firm will use our best efforts to ensure that your returns are successfully transmitted to the appropriate taxing authorities, we will not be financially responsible for electronic transmission errors or other errors arising after your return has been submitted from our office.

In recognition of the relative risks and benefits of this agreement to both you and our accounting firm, you and our accounting firm have discussed and have agreed on the fair allocation of risk between each other. As such, you agree, to the fullest extent permitted by law, to limit the liability of our accounting firm to you for any and all claims, losses, costs, and damages of any nature whatsoever, so that the total aggregate liability of our accounting firm to you shall not exceed our accounting firm’s total fees received for services rendered under this agreement. You and our accounting firm intend and agree that this limitation applies to any and all liability or cause of action against the accounting firm, however alleged or arising, unless otherwise prohibited by law. Both parties agree that there is a one-year limitation period to bring a claim against us for errors and omissions. The one-year period will begin upon the date of the tax professional’s signature on the tax returns covered by this Engagement Letter. By initialing below, I acknowledge I have read, understood and agreed to the limitations of liability described above.

Clients’ Initials

In addition, you further agree to indemnify and hold us harmless for any liability and all reasonable costs, including legal fees, which we may incur as a result of the services performed under this engagement in the event there are false, incomplete or misleading representations made to us.

From time to time during our relationship, you may seek our advice with regard to potential investments. We are not investment advisors unless specifically hired for that purpose, in writing by separate agreement. Accordingly, we suggest that you seek the advice of qualified investment advisors appropriate to each investment being considered. Unless otherwise specifically agreed to in a separate engagement letter signed by both parties, we will not advise you regarding the economic viability or consequences of an investment or whether you should or should not make a particular investment.

If any provision of this agreement is declared invalid or unenforceable, no other provisions of this agreement shall be affected, and all other provisions shall remain in full force and effect.

In the interest of facilitating our services to you, we may communicate by facsimile transmission or send electronic mail over the Internet. Such communications may include information that is confidential to you. Our firm employs measures in the use of facsimile machines and computer technology designed to maintain data security. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable law and professional standards, you recognize and accept that we have no control over the unauthorized interception of these communications once they have been sent and consent to our use of these electronic devices during this engagement.

If any disputes arise among the parties, they agree to try first in good faith to settle the dispute by mediation administered by the American Arbitration Association (AAA) under its Commercial Mediations Rules. All unresolved disputes shall then be decided by final and binding arbitration in accordance with the Commercial Arbitration Rules of the AAA. Fees charged by any mediators, arbitrators or the AAA shall be shared equally by all parties.

We have the right to withdraw from this engagement, at our discretion, if you do not provide us with any information we request in a timely manner, refuse to cooperate with our reasonable requests or misrepresent any facts. Our withdrawal will release us from any obligation to complete your return and will constitute completion of our engagement. You agree to compensate us for our time and out-of-pocket expenses through the date of our withdrawal.

Please indicate your acceptance of the above understanding by signing below and returning this Engagement Letter to our office. If your needs change during the year the nature of our services can be adjusted appropriately. Likewise, if you have special projects with which we can assist, please let us know.

We wish to express our appreciation for this opportunity to work with you, and we are always available to discuss or clarify any part of this letter with you.

Bruce R. Tabor CPA, PC

The terms described in this letter are acceptable and are hereby agreed to and shall remain in effect until terminated by either party.

Accepted by: _____
Signature Date

Print Name

Accepted by: _____
Signature Date

Print Name