

**Jones Accounting Associates  
1199 SE Dock Street  
Oak Harbor, WA 98277  
360 675-3030  
ENGAGEMENT LETTER**

**Business Name:**

**Your Appointment has not been scheduled. Please Call**

**And your tax preparer is \_\_\_\_\_**

**PLEASE SIGN & RETURN**

I have engaged your firm to prepare for the year ended December 31, 2018, my:

- \_\_\_\_\_ **Federal Income Tax Return for tax year 2018 (Form 1065 OR 1120-S-Tax Returns *due March 15, 2019* OR 1120-Tax Return *due April 15, 2019*)**
- \_\_\_\_\_ **Washington B&O Tax Reports ( \_\_\_\_\_ ) please specify **monthly, quarterly** or **annually****
- \_\_\_\_\_ **Estimated Tax calculation for 2019**                      \_\_\_\_\_ **QuickBooks set up or review of data**
- \_\_\_\_\_ **Payroll Taxes, W-2s payroll compliance issues**                      \_\_\_\_\_ **1099's**
- \_\_\_\_\_ **Bank reconciliation(s), Post cash paid outs**                      \_\_\_\_\_ **Consultation**

I understand it is my responsibility to provide you with all of the information required to complete my tax return. In regard I state to the best of my knowledge and belief:

- I have provided true, correct and complete information regarding my income as listed on the attached QuickBooks backup file or printed Profit & Loss and Balance Sheet. I will retain for **4 years** all the documents, receipts, cancelled checks and other records required to substantiate the items of income and expense claimed on my return. See Business Information Checklist for other documents required.
- I have provided true, correct and complete information regarding amounts, to claim as tax deductions and I have maintained written documentation supporting all amounts, including logbooks and receipts. I understand if a question arises regarding the interpretation of tax law, and a conflict exists between the taxing authority's interpretation of the law, and other supportable judgment; you will use your professional judgment in resolving the issue(s).
- I understand taxing authorities may examine the return(s); therefore, documentation should be retained to support the information provided to you, especially business travel and entertainment deductions, business use percentage of autos, cell phones, other assets, and barter activities. Penalties may be imposed on returns which are late, underpaid or incorrect.
- I understand you will **not** audit or otherwise verify any information, and you may require clarification or additional information. You are not responsible for disallowed deductions, the inclusion or additional unreported income, or any resulting taxes, penalties and/or interest. ***I understand I will be charged an additional fee if I request you to assist or represent me should I be required to address any IRS or State correspondence.*** I understand, in the event of preparer error, I remain responsible for additional tax which may be due, but the extent of your responsibility is to pay for any penalty and interest in which the IRS or State revenue department may assess.
- ***I will contact you immediately if I discover additional information that will lead to a change in my return, or if I receive any letters from the IRS or State taxing authorities.***

- I understand your policy is to put all tax advice in writing, and I will not rely upon any unwritten advice because it may be tentative, incomplete, or not fully reviewed.
- **I understand you will not file any federal, state or local tax extensions without my specific written or emailed request to do so. My tax return is due March 15<sup>th</sup>. IRS will no longer grant abatements of penalties for late filed returns. I will make sure my return is filed on time.**
- If there are other services or tax returns that I expect you to prepare, such as estate, gift, sales, fiduciary, property, or other States or cities, it will require a separate engagement agreement.

#### **RECORD RETENTION**

In accordance with our firm's current document retention policy we will retain our work papers and your tax returns for your engagement for *four years*. We will provide you a copy of the depreciation schedules and tax returns at completion. If you should need replacements, we will provide additional copies at a **rate of \$40.00 per year per return. This includes electronic copies.** All of your original records will be returned to you upon completion of the tax return. We will scan your documents and keep electronic copies. After four years, our work papers and files will no longer be available. Physical deterioration or catastrophic events may shorten the term during which our records will be available. It is agreed and understood that in connection with the performance of this engagement by Jones Accounting Associates that the work papers prepared by us shall remain the property of Jones Accounting Associates.

#### **FEEES**

**No tax return will be electronically filed until the tax preparation and bookkeeping bills are paid in full.** All fees are due when you pick up the tax return. If there is significant bookkeeping time for businesses, then monthly progress bills will be sent and must be paid immediately. I understand your bill will be due and payable upon completion of these returns. **I understand your bill will be based upon the predetermined amount given to me, or an hourly rate of \$100.00 per hour, or by the standard forms schedule.** We encourage you to contact us before making decisions to obtain tax information and provide us an opportunity for tax planning. Whether the advice, is given at an appointment, by telephone, or email you will be billed \$100.00 per hour for the consultation.

#### **TERMINATION OF THE ENGAGEMENT**

Our services will be concluded upon delivery of ALL items checked on page 1 of this contract or one (1) year from the date of this Engagement Agreement, whichever comes sooner.

**Additional time may be billed if JAA must put your books or financial data in order. There will be a bookkeeping charge of \$90.00 per hour for this time. If you provide us with a QuickBooks disk, you are requesting us to correct any errors in your books, and you will be charged bookkeeping fees and tax preparation fees.** Finance charges will be billed if not paid within the monthly billing cycle.

We appreciate the opportunity to serve you, and look forward to a continuing, mutually satisfying relationship.

Very truly yours,  
Jones Accounting Associates

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

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

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(Enter name of Business above)

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**I personally guarantee the payment of the tax preparation and bookkeeping fees for this entity. A separate engagement letter will be required for additional services.**