

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

PLEASE SIGN & RETURN

I have engaged your firm to prepare for the years 2018-2019, my:

- _____ **Washington State Inheritance Tax Form For estates values at \$2,079,000.00 or more.**
- _____ **Federal Income Tax Return - Form 1041- For income of \$600.00 or more after taxpayer has died**
- _____ **1099's as needed**
- _____ **Consultation only**
- _____ **See check list for documents needed. Determine the fiscal year of the estate**
- _____ **Form 4810 Request for Prompt Assessment (to be filed 3-4 months after final return has been filed)**

- I understand it is my responsibility to provide you with all the information required to complete my tax return. In this regard, I state, to the best of my knowledge and belief:
- I have provided each beneficiary with a statement of the cost basis of stocks, real estate or other assets distributed from the estate (when applicable)
- I understand it may be necessary for the tax preparer to speak to the estate attorney. The attorney may bill the estate for this consultation.
- I have provided true, correct and complete information regarding my income as listed on the 1099 and/or attached written summaries. 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 Estate Information Checklist for other required documents.
- I have provided true, correct and complete information, regarding amounts I have provided to you, to claim as tax deductions, and have maintained written documentation supporting all amounts, including logbooks and receipts. I understand that if a question arises regarding the interpretation of tax law, and a conflict exists between the tax authorities' interpretation of the law, and other supportable positions, you will use your professional judgment in resolving the issues.
- 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 you are asked to assist or represent me by responding to IRS or State correspondence.*** I understand, in the event of preparer error, I am 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.**
- If there are other services or tax returns that I expect you to prepare, such as sales, business, 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. 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. 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 the work papers prepared by us shall remain the property of Jones Accounting Associates.

FEES

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 or estates, 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 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. You will be charged \$100.00 per hour for QuickBooks bookkeeping. 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, a 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: _____

(Enter name of Estate or Trust above)

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.
