

CLIENT ENGAGEMENT LETTER – *Tax Year 2019*

In our continuing effort to provide you with the highest quality tax preparation services, this letter is intended to confirm the arrangement for our income tax services and set forth certain tax law requirements. It's a good idea that we keep you informed about our mutual responsibilities. We ask all clients for whom returns are prepared to confirm the arrangements by signing below.

I understand that it is my responsibility to provide M.L. PERRY, CPA with all the required information in order to complete my tax return. In that regard, I state that, to the best of my knowledge and belief:

1. **I have provided true, correct and complete information regarding all my income, including the Forms W-2, 1099 and written summaries, to M.L. PERRY, CPA.** I understand that it is my responsibility to provide all necessary information to complete the returns. I will retain for a minimum of seven years all documents, receipts, cancelled checks and other records required to substantiate the items of income and expense claimed on my return.
2. **I have provided true, correct and complete information regarding amounts claimed as tax deductions, and have maintained written documentation supporting all deductions, including calendars, 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, that M.L. PERRY, CPA will use professional judgment in resolving the issues. I understand that M.L. PERRY, CPA will follow whatever position I request, so long as it is consistent with the codes and regulations and interpretations that have been promulgated. If the IRS or state tax authorities should later contest the position taken, there may be an assessment of additional tax plus interest and/or penalties. I further understand that M.L. PERRY, CPA will assume no liability for such additional taxes, penalties or interest.
3. I understand that taxing authorities may examine the returns, and that documentation should be retained to support the information I provide to M.L. PERRY, CPA, especially business travel and entertainment deductions, business use percentage of autos and other assets, barter activities, and charitable contributions. I understand that penalties may be imposed on returns that are late, underpaid, or incorrect. If you have any questions on these penalties, please ask. I further understand that if I have any questions as to the type of records and documents required, I can ask M.L. PERRY, CPA for advice in that regard.
4. **I understand that M.L. PERRY, CPA will not verify any information I provide,** that M.L. PERRY, CPA may require clarification or additional information, and that M.L. PERRY, CPA will not be responsible for disallowed deductions or the inclusion of additional unreported income or any resulting taxes, penalties, or interest based upon information provided by taxpayer.
5. I understand I will be charged an additional fee if M.L. PERRY, CPA is asked to assist or represent me in a tax examination or inquiry.
6. I will contact M.L. PERRY, CPA 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 tax authorities.
7. I understand that upon request, M.L. PERRY, CPA will put all tax advice in writing. Any unwritten advice may be tentative, incomplete, or not fully reviewed.
8. **I understand that my bill from M.L. PERRY, CPA is due and payable immediately upon completion of these returns, and that additional service will not be performed until the bill for these services is paid in full. If M.L. PERRY, CPA prepares a return for an entity (such as a corporation, LLC, or partnership), I am also responsible to pay for those services. I understand that all outstanding balances must be paid before my 2019 returns are submitted. If any bills are not paid, I will pay collection costs including reasonable attorney fees.**
9. If there are other services or tax returns that I expect M.L. PERRY, CPA to prepare, such as estate, gift, sales, fiduciary, property, payroll, or other states or cities, I will note them at the top of this letter.
10. **I understand that M.L. PERRY, CPA must receive all tax information as soon as possible, but not later than April 6, 2020 to ensure that M.L. PERRY, CPA will have adequate time to review my data by April 15, 2020. If M.L. PERRY, CPA has not received all my information by April 6, 2020, my return may not be completed by April 15, 2020 and an extension may be required. I may be subject to late filing or late payment penalties.**
11. I understand that it is the policy of M.L. PERRY, CPA to electronically file all individual tax returns. I will return Form 8879 as well as any additional required forms deemed necessary for electronic processing of the return in a timely manner, **as my return cannot be sent to the proper agencies until M.L. PERRY, CPA receives the above-mentioned forms.**
12. I understand that it is my responsibility to carefully examine and approve my completed tax returns.

When you gather your tax information, it is important for you to understand that the IRS and state taxing authorities, by regulation, require you to both accumulate and keep information substantiating all items reported on your returns. Estimated expenses are not sufficient, you must have written records. Because the taxing authorities have the right to examine these documents it is important that you maintain a record system that satisfies these requirements. Documentation is especially important for bartering income or deductions, segregation of personal expenses from business expenses, as well as complete records for business deductions of travel, entertainment, auto, cell phone and computer use. Should you have any questions as to what documentation will satisfy Internal Revenue Service requirements; we will be pleased to advise you. In preparing your return we do not demand you provide these records for us to inspect but, rely on your representations that we have been informed of all bartering transactions and that you understand and have complied with the documentation requirements for your expenses and deductions. You must keep these records, along with all original documents you receive for the preparation of your tax return, for a minimum of seven years in the event you are called upon to prove the accuracy and completeness of the returns to a taxing authority.

If you have a financial interest in, or signature or other authority over, bank accounts, securities, or other financial accounts **having a value exceeding \$10,000 in a foreign country, you are required to report such a relationship.** If you fail to disclose the required information to the U.S. Department of the Treasury, the failure to disclose may result in substantial civil and/or criminal penalties. 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.

Typically, most of our clients have no items reported on their tax returns for which there are potential tax law conflicts for reporting. However, if there are conflicting authorities as to how you may report an item or transaction on your tax return, we will apprise you of your options. The IRS may disagree with the position we take in reporting items or transactions which favor you more than the Internal Revenue Service. The IRS could assess a penalty if you overvalue an item, inadvertently omit information or a transaction, or take a position contrary to them without substantial authority. You have the final responsibility for the handling of each item on your return and the overall correctness of the returns. The Internal Revenue Code and regulations impose preparation and disclosure standards with non-compliance penalties of up to \$100,000 on both the preparer of a tax return and on the taxpayer. To avoid exposure to these penalties, it may be necessary in some cases to make certain disclosures to you and/or in the tax return concerning positions taken on the return that don't meet these standards. Accordingly, we will discuss tax positions that may increase the risk of exposure to penalties and any recommended disclosures with you before completing the preparation of the return. We will use professional judgment in resolving questions where the tax law is unclear, or where there may be conflicts between taxing authorities' interpretations of the law and other supportable positions; unless otherwise instructed by you, we will resolve such questions in your favor wherever possible. Should a tax authority rule contrary to us in a tax issue, our liability is limited to the fees you paid to us for the tax preparation. If we concluded that we are obligated to disclose a position and you refuse to permit the disclosure, we reserve the right to withdraw from the engagement. Additionally, we have the right to withdraw from this engagement, in our discretion, if you don't provide us with any information we request in a timely manner, refuse to cooperate with our reasonable requests or misrepresent any facts. Our withdrawal under any of these circumstances will release us from any obligation to complete your return and will constitute completion of our engagement. You agree to compensate us for our services and out-of-pocket expenses through the date of withdrawal.

We take very seriously your private information. In accordance with federal law, in no case will we disclose your tax return information to any location outside the United States, to another tax return preparer outside of our firm for purpose of a second opinion, or to any other third party for any purpose without first receiving your consent. In the event information is requested by either of the parties signing the return, that information will be furnished without obtaining the additional consent of the other party.

The IRS permits you to authorize us to discuss, on a limited basis, aspects of your return for one year after the return's due date. Your consent to such a discussion is evidenced by checking a box on the return. Unless you tell us otherwise, we will check that box authorizing the IRS to discuss your return with us.

This letter comprises the complete and exclusive statement of the agreement between the parties, superseding all proposals both oral and written and all other communications between the parties. The terms and conditions of this engagement shall be governed and construed in accordance with the laws of the New Jersey and may only be modified in writing signed by all parties.

If the above fairly sets forth your understanding of the engagement, please sign this letter and return it to us with your tax information and organizer and payment information.

We are pleased to have you as our client and look forward to a continuing mutually beneficial relationship.

_____	_____	_____	_____
Signature of Taxpayer	Date	Signature of Spouse	Date
Print name: _____		Print name: _____	

(Both husband and wife must sign for preparation of joint returns)

CIRCULAR 230 NOTICE: To comply with U.S. Treasury Department and IRS regulations, we are required to advise you that, unless expressly stated otherwise, any U.S. federal tax advice contained in this communication, including attachments to this letter of agreement, are not intended to constitute a "reliance opinion" under applicable Treasury regulations, and accordingly are not intended or written to be used, and may not be used, by any person for the purpose of (i) avoiding penalties under the U.S. Internal Code, or (ii) promoting, marketing or recommending to another party any transaction or matter addressed in this letter of agreement or the firm's organizer.