

2023 Individual/Business Tax Return Preparation Engagement Letter
Signature required prior to beginning of tax preparation.

January 2024

Dear Client:

This letter is to document the understanding between us as to the scope of services that Kathryn Ayres, CPA, PC, will perform your responsibilities, and payment terms for the preparation of your **2023 Income Tax Returns**.

PROFESSIONAL SERVICES

- Preparation of Federal, State and City Tax Returns from information you provide.
- Consultation regarding Tax and Financial Planning
- Preparation of 2024 Estimated Tax Vouchers

YOUR RESPONSIBILITIES

- Furnish adequate information and records to prepare complete and accurate tax returns. We will not verify, check, inquire or analyze all of the data submitted. We will assume that all information provided is properly supported by appropriate and required documentation even though such documentation may not be included with the data you provide. We may ask you to clarify data. This includes ownership of, or signing authority over, any foreign bank accounts, and the ownership of any foreign financial assets, crypto / digital assets (Form 8949), contributions, mileage, inventory, meals, travel, refundable credits including EIC, AOC, child tax credit, premium tax credit, receipts for capital assets and stock and mutual fund documentation.
- Represent that the information you are supplying to us is accurate and complete to the best of your knowledge. We reserve the right to refuse services if we believe your position or documents are unethical or illegal.

PAYMENT & PAYMENT TERMS

- Our fees are not contingent on the results of our service. Our fees are based on a number of factors including, but not limited to, the time spent as well as the complexity of the tax issues, and increased forms required.
- Our statement will be included with your completed tax return and is payable upon receipt. Amounts not paid within 30 days of invoice are subject to 1.5% monthly service charge.
- Tax returns are filed after payment is received and Form 8879 (e-file Signature Authorization) is signed.
- If we must make repeated requests for information, we will charge additional fees. In the event that we prepare your taxes and you later receive additional tax papers that cause us to file an amendment to your return, you will be charged a minimum of \$200 for the Federal 1040X plus any additional required forms, provided this is no fault of Kathryn Ayres CPA PC.
- If you have chosen the professionals at Kathryn Ayres CPA PC to prepare and file your tax return prior to February 12th 2024, you are telling us that you have received all of your tax information and that your tax return is ready to be filed. In the event that you receive additional tax information after we file your return, this document is your official notification that should you requests our services in filing the required amended return; we will be charging you an additional minimum \$200 for services rendered. By signing this document, you, the client, agree that you understand and accept these provisions in our billing.

UNANTICIPATED SERVICES

- Audit – In the event of an audit, we will represent you if you so desire. These services are not included in the tax preparation fee and the additional work will be billed at our standard hourly rates.
- Consultation and Research – Questions throughout the year regarding tax and financial planning issues are included in the tax preparation fee. However, if your questions require additional research and analysis, you will be advised that such services will be billed.
- Responses to Federal, State or City notices or other contacts by a taxing authority are NOT included in the tax preparation fee and will be billed at our standard rates.

DISCLOSURE STANDARDS / PENALTIES

- The Internal Revenue Code and Regulations impose new tax preparation and disclosure standards with noncompliance penalties on both the preparer of a tax return and on the taxpayer. No penalty is imposed if the position taken has a reasonable basis **AND** is adequately disclosed.
- If we identify a tax position that we believe requires disclosure we will contact you to discuss the issue and explain the alternatives.

DOCUMENTATION

- The burden is on you, the taxpayer, to have and to maintain required documentation to support income and deductions on your tax return. It is our responsibility to inform you of the requirements and to question that you have the necessary records.
- The tax return is your final responsibility and you are responsible for the disallowance of doubtful or inadequately supported deductions.

TAX PREPARATION STANDARDS

- The IRS has implemented a comprehensive enforcement strategy that includes applying significant examination and collection resources which include new nontraditional enforcement tools (e.g. directed notices and office visits) into the enforcement activities directed at tax preparer compliance.
- We request your cooperation and understanding as we adjust our preparation procedures to document compliance. The intent is to protect you and to protect us.
- We will use our best professional judgment in preparing your tax returns in the resolution of unclear tax law or conflicting interpretations to reasonably apply tax rules in your favor. When necessary, we will review reporting alternatives with you and file a mutually agreeable position supported by promulgated authority providing a reasonable basis for the position. We assume no liability for any additional IRS assessment of taxes, penalties, and interest if IRS subsequently challenges the position.

EXTENDED FILING SEASON

With the increasing complexity of tax laws, the increasing demand on tax preparer documentation, the additional issues involved in preparation of corporation as well as individual returns, we anticipate that we will need to put more tax returns on extension. We will do our best to timely file your 2023 tax return by April 15, 2024 but we will not sacrifice professional standards or internal review procedures to do so. ***In order to timely file your tax returns, we need all required information no later than March 20, 2024. The best advice is to get your tax information to us as soon as possible and to complete the organizer and questionnaire as thoroughly as possible.***

TAX APPOINTMENT

Tax interviews will be conducted by experienced staff members and all returns will be reviewed and signed by appropriately credentialed staff. I will be available to resolve any questions or issues that you have. **Please advise us prior to submitting your information for your tax return if you have a unique situation or question for the 2023 tax year.** A tax credentialed staff member will be available to you for questions or to go over your tax return when you pick up your return or when you drop off your tax documents if you request. We make every attempt to treat all clients with courtesy and professionalism and expect the same in return. We reserve the right to refuse service if any of our staff are mistreated.

MANDATORY E-FILE

Effective January 1, 2011, tax preparers are mandated to E-File individual Federal tax returns unless the client elects to file in paper format. Preparers must obtain a signed copy of client's choice and keep the signed copy of the statement on file. We will E-File your 2023 income tax return unless you notify us otherwise and sign the required documentation.

If you agree that the above adequately sets forth your understanding of our mutual responsibilities, please sign this agreement and return to our office or bring with you to your appointment.

Sincerely,



Kathryn Ayres, CPA

I (We) have submitted the enclosed tax information for the sole purpose of preparing my (our) tax return. Each item can be substantiated by receipts, cancelled checks, or other documents. This information is true, correct, and complete to the best of my (our) knowledge.

Date _____

Date _____