

NELSON & COMPANY P.S. CPA'S
2010 65TH AVE W
FIRCREST, WA 98466-6200
(253) 752-9522

Name _____

, WA

This letter is to confirm and specify the terms of our engagement with Name _____ for the year ended December 31, 2018 and to clarify the nature and limitations of the services we will provide. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom tax returns are prepared to confirm the following arrangements:

We will: (1) Prepare your 2018 U.S. Individual Income Tax Return, Form 1040, including 2019 estimated tax payments from information you furnish us and (2) Prepare state tax returns if necessary. We will not audit or otherwise verify the data you submit, although we may ask you to clarify some of it. We may furnish you with questionnaires and/or worksheets to help you gather the necessary information. Your use of such forms will assist in keeping pertinent information from being overlooked.

It is your responsibility to provide us with all information required for the preparation of a complete and accurate tax return. Our responsibility is to prepare the return in accordance with applicable tax laws. By submitting the tax organizer or worksheets, you are stating that you have books and records to support the financial data that you are providing as required by law. You should retain all documents, canceled checks and other data that form the basis of income and deductions. We will resolve questions involving application of tax rules in your favor if there is reasonable justification. You have the final responsibility for your income tax return and, therefore, you should review it carefully before you approve it to be filed or signed and mailed.

Our work in connection with the preparation of your income tax return does not include any procedures designed to discover defalcations or other irregularities, should any exist. However should we find any irregularities or unusual items we will bring them to your attention. We will render such accounting and bookkeeping assistance as determined to be necessary for preparation of the income tax return. If we discover any errors or omissions on a prior year return we will bring that to your attention.

Your return is due 4-15-2019 or 10-15-2019 with an extension. We must receive your complete information by 3-22-2019 for your return to be ready by 4-15-2019. **We will NOT automatically file any extensions.** **You must contact us if you need an extension filed.** We file all extensions electronically. There is no need for any signature.

If an extension of time is required, any tax due must be paid in full with the extension. Any amounts not paid by the filing deadline (4-15-2019) maybe subject to interest and late payment penalties.

We are required to file your tax returns electronically with the IRS. You may opt out of electronic filing if you so choose. We will provide you with a copy of your final returns for your review prior to electronic transmission. The IRS requires that you sign an e-file authorization form indicating you have reviewed the return, that it is correct to the best of your knowledge and you authorize us to submit it electronically. We cannot transmit any return until we have the appropriate signed authorizations. E-filing of state returns vary by authority. If e-file is not available, paper copies will be provided for you to sign and mail.

Fees for our services will be at our standard rates for the time spent plus out-of-pocket expenses, including computer-processing charges. **All invoices are due and payable upon presentation.** Bills not paid within 30 days of the billing date shall bear interest at the rate of 12% per annum until paid. Any account over 30 days will be charged a \$15.00 monthly service fee. Payment plans are available upon request. NSF checks will be assessed a \$50.00 handling fee in addition to any other charge or assessment due hereunder. You agree to pay attorney fees and costs in the event an attorney is retained related to this agreement of our undertaking hereunder.

We are not responsible for insuring that you meet the requirements of the Affordable Healthcare Act (ACA), Obamacare. You should seek guidance from a Qualified Benefit Specialist to discuss your healthcare requirements or your employer.

Certain taxpayers may be required to electronically file Form 114, Report of Foreign Bank and Financial Accounts (FBAR) with the U.S. Department of Treasury. Failure to comply with the filing requirements may result in significant civil and criminal penalties. Unless otherwise specifically agreed in writing, we will not prepare, file or provide assistance with respect to FinCEN Form 114. We will also not prepare, file or provide assistance with respect to Internal Revenue Service Form 5471, 3520, 3520A, 926, 8854 or 8898, unless otherwise specifically agreed in writing.

We reserve the right to withdraw from this engagement without completing the work if you fail to comply with the terms of the engagement letter. If any portion of this agreement is declared invalid or unenforceable, the finding shall not invalidate the remainder of the terms set forth.

Your tax return is subject to examination by the taxing authorities. In the event of an audit, you may be requested to produce documents, records, or other evidence to substantiate the items of income and deduction shown on your tax return. Items resolved against you by the examining agent are subject to certain rights of appeal. If an examination occurs, we can represent you if you so desire as your legal representative; however, these additional services are not included in our fee for preparation of your return. A separate fee will be charged for tax return audit engagements.

It is important for you to know that the law imposes a penalty if a taxpayer makes a substantial understatement of tax liability. If you would like information on the amount or the circumstances of these penalties, please contact us.

You agree to indemnify Nelson & Company P.S. for damages, including attorney fees, caused in whole or part by your failure to fulfill these responsibilities.

The tax services performed under this engagement letter are professional in nature, as the term is customarily understood. Accordingly, Nelson & Company P.S. warrants it will perform the services in good faith, with the necessary knowledge of current laws and regulations, with due care and exercise of professional judgement, and in accordance with professional standards. Nelson & Company P.S. specifically disclaims all other warranties, either express or implied, and makes no guarantee regarding the results of the services, including that the tax advice provided represents all potential tax positions which might be undertaken to minimize your tax liability.

Disputes arising under this agreement (including the scope, nature and quality of services to be performed by us, our fees and other terms of the engagement) shall be submitted to mediation. A competent and impartial third-party, acceptable to both parties, shall be appointed to mediate, and each disputing party shall pay an equal percentage of the mediator's fees and expenses. No suit or arbitration proceedings shall be commenced under this agreement until at least 60 days after the mediator's first meeting with the involved parties. If the dispute requires litigation, the court shall be authorized to impose all defense costs against any non-prevailing party found not to have participated in the mediation process in good faith.

By signing this Engagement Letter or when you submit your tax information to us, you acknowledge and agree to the aforementioned terms and conditions for our service. You further acknowledge and agree that our liability arising from this engagement shall be limited to the lesser of any actual damages which may have been caused by our acts or omissions, or the amount of the fees which you pay for our services.

We are pleased to have you as a client and look forward to a long and mutually satisfying relationship.

Very Truly Yours,

Agreed and Accepted:

By: _____
NELSON & COMPANY, P.S.
Certified Public Accountants

By: _____
Name _____

Date: _____

P.S. A copy of the Engagement Letter is available on our website at www.DNelsonCPAs.com