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INDIVIDUAL TAXPAYER ENGAGEMENT AGREEMENT

We are pleased to have this opportunity to do business with you and consider it a privilege to count you among our clients. This letter is to confirm and specify the terms of our engagement with you and to clarify the nature and extent of the services we will provide. To confirm understanding of our mutual responsibilities, please sign below and return to our office most convenient to you as soon as possible.

It is our responsibility to:

- Prepare your 2022 federal, state, and local income tax returns from information which you will furnish to us.
- We will not audit or otherwise verify the data you submit, beyond the required documents listed in the Checklist, although it may be necessary to ask for clarification.

It is your responsibility to:

- Pay in full all outstanding balances due and/or required deposits before we will begin work on your tax returns.
- Provide timely all required documents and information in the Organizer and Questionnaire. Incomplete or missing information will delay preparation of your returns.
- Retain all documents, cancelled checks and other data that form the basis of income and deductions for seven years. These may be necessary to prove the accuracy and completeness of your returns to a taxing authority.
- Represent that the information you provide, and the resulting tax return, is complete and accurate to the best of your knowledge.
- Carefully review your tax returns for accuracy and completeness before you sign them. You are ultimately responsible for filing complete, accurate and timely tax returns.

Scheduling work:

- Individual income tax returns are due April 17th. C Corporation tax returns are also due April 17th. Farmer's tax returns are due March 1st.
- Partnership & S Corporation tax returns are due March 15th.
- Due to compressed timeframe not all individual tax returns will be completed before April 17th.
- Extended tax returns are legally timely filed, if filed by October 16th but **tax must be paid in full by the original due date.**



- Tax returns will be prepared first come, first served based on "Received date."
- Received date is the date we receive complete required information and required deposit.
- Received date will be reset to the date we receive the last piece of required information. Incomplete information will delay the completion of your tax returns.
- Incomplete information may result in a suspension of our services, or withdrawal from the engagement.

Fees for services:

- Fees for tax return preparation are based on forms required to complete your returns.
- Retainer of 50% of previous years invoice, or 50% of estimated total fee, is payable at engagement with balance due upon delivery of completed tax returns.
- Additional fees of up to \$160/hour may be charged for extra effort required to gather missing or incomplete information. Please make sure your tax information is complete when delivered to us; see the Organizer and Questionnaire.
- Any outstanding invoices are subject to interest on the outstanding balance at 1.5% per month. We reserve the right to suspend our services or withdraw from the engagement for delinquent outstanding balances. If collection action is required to collect unpaid balances, you agree to reimburse us for our costs of collection, including attorney's or agency fees.
- Electronically filed returns will be filed only after full payment is received.

Uncertain tax positions:

- We will use our judgment to resolve questions in your favor where the tax law is unclear or where there are conflicts between the taxing authorities' interpretation of the law and what seem to be other supportable positions.
- There may be situations where we are required by law to disclose a position on a tax return.
- We will adopt whatever position you request on your returns so long as it is consistent with our professional standards and ethics.
- In the event, however, that you ask us to take an unsupported tax position or refuse to make any required disclosures, we reserve the right to withdraw from the engagement without completing or delivering the tax returns. Such withdrawal would complete our engagement and you agree to pay our fees based on time expended (at our standard rates) plus all out-of-pocket expenses through the date of withdrawal.
- We are not attorneys; therefore, we cannot provide you with a legal opinion on various tax positions. We can, however, advise you of the consequences of different positions.

Audit or tax authority examination:

- Our work, in connection with the preparation of your income tax returns, does not include any procedures designed to discover defalcations and/or other irregularities,



should any exist.

- Your returns may be selected for examination by the taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination, we will be available upon request to represent you under a separate engagement agreement and will render additional invoices for the time and expenses incurred.
- The law provides various penalties that may be imposed when taxpayers understate their tax liability and/or file or pay late. Unless penalties are directly a result of our error, negligence or delay, all penalty and interest are your responsibility. If you would like information on the amount or circumstances of penalties, please contact us.

Electronic filing:

- The IRS and most state and local taxing agencies require your tax returns to be electronically filed.
- We will provide you with a copy of your final returns for review prior to electronic transmission.
- The IRS and most state and local agencies require that you sign an e-file authorization form indicating that you have reviewed the return, it is correct to the best of your knowledge, and you authorize us to submit it electronically.
- We are legally prohibited from transmitting any return without the appropriate signed authorizations.
- If your returns are not e-filed, you will have final responsibility for mailing your returns to the applicable taxing authorities.

Termination:

- You may terminate this engagement at any time. Should you do so, however, you remain liable for all unpaid fees as discussed above.
- We reserve the right to withdraw from this engagement at any time due to unpaid invoices, the guidance of our professional standards, or for any other reason.
- We will notify you in advance of any decision by us to withdraw and will take all reasonable steps to assist in the orderly transfer of your tax services.
- Otherwise, this engagement will be considered complete upon acceptance of your e-filed returns by the tax authorities.

If the foregoing fairly sets forth your understanding, please sign below and return to us by either 1) uploading a signed copy to your client portal 2) emailing to info@shan-cpa.com or 3) delivering to our office. THANK YOU.

Shanafelt CPA LLC

Accepted By: _____ Date: _____