Tax Prep
Financial Services

Engagement Letter

Dear Tax Prep Client,

We appreciate the opportunity to help you "Pay Yourself! Not the IRS!" for the ______ Tax Year. Though we office from our home(s), we work to live, not live to work. In other words, please be respectful of our time. Our normal office hours are 9am-5pm, Monday through Friday. If you call us, we ask that you call us within those hours. However, because we work fervently on client returns, we cannot always take the time to speak on the phone. In those instances, please leave a voicemail message and we will get back to you as soon as possible. Alternatively, you can also send us an email at **tax.prep@jeffthetaxman.com**.

As a condition for using our services, we require all clients to accept our Terms of Engagement outlined in this letter. Accepting our Terms of Engagement is required before any work can begin and is an exclusive agreement with each individual tax return.

As a tax firm, we offer the following services:
- Individual and S-Corporation Tax Return Preparation and Filing
- Income Tax Amendments
- Income Tax Estimations
- Income Tax Consultations

Instructions and Procedures

After you receive our initial request for your tax return data, we need three things from you: (1) Your acceptance of our Terms of Engagement outlined in this Engagement Letter, (2) your answers to our questionnaire found under "Questions" in the main menu of the portal, and (3) uploads of any required documents for properly preparing your tax return, which can be uploaded under "Documents" in the main menu of the portal. Our questionnaire is designed to help you identify which documents we'll need from you. All of your tax data is confidential, and we cannot legally share it with any third party without your written consent through a signed Consent to Disclose Form. If you have any questions or concerns along the way, feel free to email us at **help@jeffthetaxman.com**.

If, in the process of preparing your return, we notice tax documents missing from your submissions or develop any questions, we will make it a point to contact you to ensure that we complete preparation of your tax return accurately. It is our responsibility to ensure that your tax return is completed as accurately as possible, so we cannot move forward with our own estimates or "best guesses." Upon reaching out to you regarding your return, your tax return is effectively placed "on hold" and work will not be resumed on your return until we hear back from you.

We serve every client on a first come, first served basis. Upon your completion of the above-listed steps, we will assign you a spot in line for preparing your tax return. We do not currently have an automated system for communicating places in line to clients. However, if you would like to know your spot in line, feel free to email us.
Because each individual tax return varies enormously in complexity, we cannot determine based on your spot in line how long it will take for us to complete your return. However, you can check Jeff's progress in line directly on the home page of our website.

Upon completing your tax return, we will contact you with the results of your prepared tax return and with our invoice total. We will also send you any signature forms we need you to sign to be able to file your tax return. The IRS requires us to file all current year federal tax returns electronically. Once you have signed and submitted the proper form(s) to us, as well as paid our invoice, we will file your tax return for you and will make your finished tax return data available to you. We will not release it to you before you sign the proper form(s) and before we receive payment for your assigned invoice. After filing your tax return, we will make a digital copy of your return available to you in your account on our secure client portal. If you would like us to send a physical copy of your return to you, we can do so for an added fee, which you can find in **Service Fees and Rates** below.

Submission Deadlines

In order to commit, with confidence, to preparing and completing your tax return before any IRS deadline, we require complete submission of your tax data 6 weeks before that deadline. Therefore, if you wish to have us complete your personal tax return before the April 15th IRS deadline, we need all of your tax data submitted by March 1st. If your tax return was filed for extension and you wish to have us complete it before the October 15th IRS deadline, we need all of your tax data submitted by September 1st. If you miss our final cutoff of September 1st, we cannot guarantee your return will be completed by the final IRS deadline, which could result in you paying penalties to the IRS. Also, please be aware that if you submit your tax data between March 1st and July 1st, it may take longer than 6 weeks for us to prepare your tax return as we finish the biggest backlog of client returns we receive for the year.

For S-Corporation returns, we require 4 weeks before any IRS deadline. Therefore, we need your S-Corporation tax data submitted by February 15th to meet the March 15th IRS deadline, and by August 15th to meet the September 15th final IRS deadline. If you miss our final cutoff of August 15th, we cannot guarantee your return will be completed by the final IRS deadline, which could result in you paying penalties to the IRS.

Below is a schedule listing all submission deadlines:

- February 15th: Deadline for submitting tax data for an S-Corporation Income Tax Return without extension
- March 1st: Deadline for submitting tax data for a personal Individual Income Tax Return without extension
- April 1st: Deadline for submitting tax data for an estimate and extension on a personal Individual Income Tax Return
- August 15th: Deadline for submitting tax data for an S-Corporation Income Tax Return with already-filed extension
- September 1st: Deadline for submitting tax data for a personal Individual Income Tax Return with already-filed extension

Tax Return Extensions

In the event that you submit your tax data to us anytime on or before April 1st and we are unable to complete your return before the April 15th deadline, we will file an extension Form 4868 on your behalf. This will extend the deadline for completing your tax return, without late fees, to October 15th. However, be advised that all taxes owed to the IRS are required to be paid before April 15th. Even after filing an extension for your tax return, if you owe the IRS anything after April 15th, they will assign late and underpayment fees to you for owing after the deadline. It is your responsibility as the taxpayer to pay the IRS all taxes owed before April 15th. We will not pay any late or underpayment fees for you.

To inform you of the likelihood of whether you will receive a refund or owe the IRS, we will run an estimate on your return before filing an extension Form 4868 for you. This estimate is NOT a guarantee, and can (and often does) change upon the completion of preparing your tax return. We will not pay any late or underpayment fees if the result of your completed tax return differs from our initial estimate. In the event that our estimate shows that you owe, we will contact you with the estimated amount that you owe and our recommendation of how much you should directly pay the IRS before the April 15th deadline to avoid incurring any fees. Running an estimate on your return takes time, which is why we can only do so for clients who submit their tax data before April 1st. We cannot determine whether you will owe taxes or receive a refund based on “eye-balling” your data, and we cannot file an extension Form 4868 for you without your submitted tax data.

IRS and Audits

The Internal Revenue Service (IRS) is aggressively pursuing small, direct-sales businesses. They are trying to disqualify business losses by re-classifying businesses as hobbies not intended for profit. You are responsible for proving a profit motive. By accepting our Terms of Engagement, you are affirming that you are prepared to substantiate numbers you submit to us with documentation in your possession. They may be necessary to prove to a taxing authority that you were motivated to make a profit in your business, as well as to prove accuracy and completeness of the return(s).

Wherever the tax law is unclear or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions, we will use our judgment in resolving those questions. If a position you wish to take does not have a realistic possibility of being sustained on its merits, we may choose not to amend/prepare your return in that manner. We may also use procedures to discover falsifications or other irregularities in your data. You should keep all documents, such as receipts, canceled checks, credit card statements, mileage logs and other data that substantiate the income, expenses, and deductions you report to us.

Be aware the law imposes penalties when taxpayers understate their tax liability. You are responsible for the returns, so you should review them carefully before you sign them. In the event of an audit within the Dallas/Fort Worth metroplex, we can arrange to accompany you, which requires a separate engagement. Be aware we will NOT sign a power of attorney Form 2848 to represent you before the IRS. Any proposed tax adjustments by the IRS are subject to your appeal. However, remember all tax liabilities are always the responsibility of you, the taxpayer.

Service Fees and Rates

Our fee for preparing your tax return will be based upon the amount of time required to amend/prepare it at our current hourly billing rate of **$95/hour**. Your bill will begin to accrue upon receipt of your tax data and you will be charged for all work done on that data by anyone on our team. We also charge the same rate for estimating taxes and giving consultations. Please note that we consider phone questions that take longer than fifteen minutes to be phone consultations. Payment of services is due upon notification of completion of those services. We accept cash, check, money order, and debit or credit cards. You can also Zelle® us your payment to our email, **tax.prep@jeffthetaxman.com**. Due to bad experiences, we do not accept post-dated checks.

Any physical records you send to us will be returned to you in the mail. We will also make your copy of your tax return available to you in our secure client portal. If you would like to order a physical copy of your tax return for us to print and mail to you, we can do so for **$25/copy**. If you wish to receive overnight delivery, we can do so for the additional fee of **$35**. You should securely retain original records of your tax documents for seven years. We will retain copies of critical records you supply to us, along with our work documents for your engagement, for a period of seven years. After seven years, these records will be deleted or destroyed.

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It is our privilege to work with you. With over 30 years in the industry, we remain committed to giving our clients the best possible refund at the best possible rate. If you develop any concerns throughout our service, feel free to reach out to our office. We will be happy to help you. You are a blessing to us, as much as you may feel we are a blessing to you. Thank you for this opportunity to help you "Pay Yourself! Not the IRS!" God bless you.

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Taxpayer

Sign	Print	Date

Spouse

Sign	Print	Date