

Individual Income Tax Engagement Agreement for Tax Year 2018 – federal and resident state

Acceptance by Client constitutes mutual understanding and agreement with all terms & engagement of Triad Tax Service, Inc. (TTS)
(Work will not begin without signed Agreement on file)

Client name (s) _____

Client Responsibilities

Supporting Data

By signing this Agreement, Client states that he/she has the necessary documents and records to support the deductions claimed on the tax return and will provide all requested information in a timely manner. Client must provide all information requested and answer all questions asked on the TTS In-Take form in a clear and legible format. Client is advised that the law imposes a penalty for substantial understatement of the tax liability and that the tax authorities regularly question expenditures for travel and entertainment, business use of automobile and cell phones as well as charitable donations.

Foreign Activities

Client is hereby advised that he/she is responsible for reporting all foreign activities. By signing this Agreement, Client acknowledges his/her obligation to inform TTS if Client has income from foreign sources, has signatory authority over foreign accounts, or owns foreign financial assets. Note that the penalties for failure to comply with reporting requirements are severe.

Timeliness

Client agrees to deliver required tax data and supporting documentation in a timely manner and will not hold TTS responsible for delays due to Client's lack of cooperation during the tax preparation process. TTS may terminate Agreement without further notice, if Client fails to provide requested data.

Extensions

The filing deadline for individual returns is April 15, 2019 (entities are subject to other deadlines). If TTS has not received Client's tax data in full by April 8, 2019, an extension will be required. TTS will not automatically file an extension on Client's behalf. Specific instruction must be given by Client before an extension will be filed and as much tax data as possible should be provided to TTS in order for the extension to be considered valid. Since an extension merely extends the time for filing (not payment), penalties and interest for late payment may accrue for which the client will be wholly responsible. If Client wishes to authorize electronic funds withdrawal for any balance due, Form 8878 must be signed and submitted to TTS.

Additional Forms & Taxes

Client understands that he/she may be subject to additional tax filing requirements, including but not limited to returns for prior-years, amendments, non-resident states, part-year resident states, as well as foreign account reporting. If asked, TTS will assist with the requisite forms but Client remains responsible for alerting TTS of the possible need for such returns.

Client Review

Client is wholly responsible for the accuracy of the return and will – after careful review - sign the return and authorize TTS to file electronically. The law provides for a penalty to be assessed for substantial understatement of the tax liability. Client is responsible for all penalties and interest.

Communications

Client agrees to promptly notify and forward copies of any communications received from tax authorities to TTS for review and advice. Client should keep all originals (including envelopes). If Client wishes to be represented by TTS, additional forms, fees and expenses should be anticipated.

Cost of Service

Fees for tax preparation will be based on the complexity of the return, expertise required and time expended by TTS. Extraordinary expenses and additional services including, but not limited to, tax file organization, data compilation, cost basis calculations, research, bookkeeping, correspondence with taxing authorities, tax consultation and audit representation will be billed on an hourly basis.

Payment Terms

Tax preparation fee is due upon completion of the tax return. Payment may be made via cash, check, debit or credit card. A 3-month debit/credit installment agreement is available upon request. A \$10 set up fee will apply. No additional services will be performed if there is an outstanding account balance. A pre-paid deposit may be required for prior year returns. Payments for services rendered are due in full upon completion of the work, whether or not Client chooses to file the return as prepared. TTS may take legal action to collect any outstanding fees and all costs incurred during the collection process will be added to Client's bill. Bank fees for checks returned for non-payment will be billed to Client.

Missed Appointments

Client may be charged a \$50 missed appointment fee if 24 hour notification is not made.

Please initial Page 1 to acknowledge Client Responsibilities: Client: _____ Spouse: _____

Tax Practitioner Responsibilities

Returns will be prepared based on information provided by Client. TTS will not audit nor verify the data and may request additional information or clarification. TTS will make every attempt to properly apply the law and legally minimize Client's tax liability. TTS will exercise professional judgment and will, whenever possible and justifiable, attempt to resolve any issues involving the Tax Code in favor of Client.

Practice Standards

TTS may not sign a return as a paid preparer if TTS determines that the return contains a position that does not have a realistic possibility of being sustained on its merits, unless the position is not frivolous and is adequately disclosed to the IRS as per IRC §6662. TTS must inform Client of penalties likely to apply regarding the position advised, prepared or reported and must advise Client of any opportunity to avoid such penalty by making adequate disclosure. TTS may rely in good faith (without verification) upon all information furnished by Client; however, TTS must make reasonable inquiries if the information appears to be incorrect, inconsistent or incomplete.

Client copies of returns and document retention

TTS will provide Client with a copy of the completed return. Client should retain this and all related materials for a minimum of seven (7) years. Ideally, tax returns should be kept forever. TTS will be available year-round to address any Client concerns and to provide tax-planning advice for an additional fee. TTS will not be responsible for implementation of suggestions made. TTS retains copies of work products for three (3) years; thereafter, all documents will be destroyed by TTS without further notice to Client. Client understands and agrees that in the event a file is destroyed, TTS will no longer have any records and will not have any responsibility to reconstruct the file. TTS does not retain any original documents as they are returned to Client at the completion of the tax preparation process. It is the Client's responsibility to keep these materials for future use, including possible examination by the tax authorities.

Duration of Engagement

Engagement will begin once Client has signed Agreement; however, in the event that Client does not return signed Agreement to TTS but nonetheless verbally instructs TTS to prepare returns on Client's behalf or submits tax documents for this purpose, all terms and conditions of this Agreement shall apply. Client's signature on federal E-file authorization forms shall be deemed acceptance by Client of all terms in Engagement Agreement. Engagement of TTS's services will be deemed satisfied upon delivery of completed returns to Client. Additional services (e.g. tax planning, communications with tax authorities, preparing prior-year unfiled returns, etc.) may be provided under separate agreement between Client and TTS.

Limitations

TTS's services are not intended to determine whether Client has filing requirements in taxing jurisdictions other than the one(s) Client has mentioned to TTS. TTS will not be responsible for mis-deliveries by the USPS or other private carriers. TTS may terminate engagement for client's lack of cooperation with the preparation process, for lack of payment or for other reasons with written notice to client at any time. Client agrees to indemnify and hold TTS harmless from all claims, including third party claims and other liabilities, costs and expenses incurred by reason of any action taken or omitted arising out of this engagement, except for matters judicially determined to be caused by TTS's gross negligence or bad faith.

Dispute Resolution and Damage Limitation

Any dispute arising under this Agreement or relating to TTS's services including but not limited to disputes regarding fees, the scope of the engagement or professional malpractice, will be first submitted for non-binding mediation or alternative dispute resolution before litigation is filed. Litigation, if undertaken, shall be conducted in Guilford County, North Carolina according to NC state law. Liability to the Client shall in no event exceed the fees received from Client for the portion of the work giving rise to the liability; nor shall the liability include any special consequential, incidental or exemplary damages or loss, including lost profits, savings or business opportunity.

Confidentiality

Client is hereby given notice that all communications throughout the tax preparation process with TTS are confidential, but *not privileged* and may be disclosed if a summons is issued. The working papers for this engagement are the property of TTS and constitute confidential information. Any requests for access to these materials will be discussed with Client before making them available to other parties. Limited privilege may be available during the representation process under IRC §7525. Client may advise TTS to assert this privilege in non-criminal tax matters involving the IRS or federal district courts. Client, however, should be aware that disclosure of information considered during the tax preparation process is not covered under privilege—only tax advice communications are covered. Client hereby agrees to reimburse TTS for all costs, including legal fees, required to defend the privilege asserted or respond to a subpoena. *Client should immediately engage legal counsel if he has any concerns regarding possible criminal matters.*

Privacy Policy

TTS does not disclose nonpublic personal information about current or former clients to anyone unless instructed in writing to do so by Client. TTS will not perform a conflict check; Client remains solely responsible for identifying and disclosing actual or potential conflicts of interest to TTS. If a joint return is filed, TTS may provide returns and copies of supporting documentation to either spouse without consent from or notification to the other spouse. TTS restricts access to nonpublic personal information to those professionals who may assist in the preparation process or provide adjunct services. TTS has instituted all reasonable measures, including physical, electronic and procedural safeguards to protect Client's nonpublic personal information. Client assumes the risk of loss of confidentiality and/or tax documents during unencoded electronic transmission or mailing via USPS and third party delivery.

Please sign and date Page 2 to confirm acceptance of this Agreement in its entirety. If married, both spouses must sign.

Client Signature: _____ Print Name: _____ Date: _____

Spouse Signature: _____ Print Name: _____ Date: _____